UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark one)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2002

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to
Commission file number 333-92214

Cellco Partnership
(Exact name of registrant as specified in its charter)

Delaware	22-3372889
(State of Organization)	(I.R.S. Employer Identification No.)

180 Washington Valley Road
Bedminster, NJ 07921
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (908) 306-7000

Securities registered pursuant to Section 12(b) of the Act:
None

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes [ ] No [X]

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: $0

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Documents incorporated by reference:
None

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Trademarks, servicemarks and other similar intellectual property owned by or licensed to us appear in italics when used. All other trademarks in this annual report are the property of their respective owners.

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PART I

Item 1. Business

Overview

We are the leading wireless communications provider in the U.S. in terms of the number of subscribers, revenues and operating income and offer wireless voice and data services across the most extensive wireless network in the U.S.:

- we have the largest customer base in the U.S., with 32.5 million subscribers as of December 31, 2002, of which approximately 28.6 million were digital subscribers;
- we have Federal Communications Commission ("FCC") licenses to offer our services in areas where approximately 252 million people reside;
- our network provides service in, or covers, areas where approximately 90% of the population in our licensed areas, or 228 million people, reside and in 49 of the 50 and 97 of the 100 most populated U.S. metropolitan areas;
- our network provides digital coverage in areas where approximately 220 million people reside, including almost every major U.S. city;
- we had revenues of $19.3 billion and $17.4 billion for the years ended December 31, 2002 and 2001, respectively; and
- we had net income of $2.6 billion and $1.3 billion for the years ended December 31, 2002 and 2001, respectively.

Our owners are Verizon Communications Inc. ("Verizon Communications"), which is the largest provider of wireline voice and data services in the U.S., with 135.8 million access line equivalents, as well as the largest provider of wireless services in the U.S. by virtue of its controlling interest in our company, and Vodafone Group Plc ("Vodafone"), one of the leading wireless telecommunications companies in the world. The combination of their wireless assets in our company brought together the business and management teams of four well-recognized wireless franchises in the U.S. market: Bell Atlantic Mobile, AirTouch, GTE Wireless and PrimeCo. Since our formation in April 2000, we have realized operating synergies from network and equipment cost reductions, systems and call center consolidation and staff consolidation and believe that we will continue to realize savings as we benefit from our size and scale, and complete our remaining information system conversions. Over the last three years, we have developed "Verizon Wireless" into a brand name with significant recognition as a result of our aggressive advertising and marketing, enhanced by the strong customer relationships developed by our predecessor companies. We also believe that our relationships with Verizon Communications and Vodafone afford us additional benefits, including Verizon Communications' own brand marketing efforts and promotional opportunities with its customer base, and Vodafone's insights from its international markets.

Industry Overview

General

Wireless communications systems use a variety of radio frequencies to transmit voice and data. Broadly defined, the wireless communications industry includes one-way radio applications, such as paging services, and two-way radio applications, such as cellular telephone service, enhanced specialized mobile radio services, personal communications services ("PCS") and narrowband PCS service. The FCC licenses the radio frequencies used to provide each of these applications.

Since the introduction of cellular service in 1983, wireless communications has grown dramatically in the U.S., although growth has slowed recently. As illustrated by the following table, domestic cellular, enhanced specialized mobile radio and PCS providers experienced compound rates of growth of 25.0% and 29.7% in total service revenues and subscribers, respectively, over the eight-year period from 1993 to 2001. Industry information for 2002 is not yet available.

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Wireless Industry Statistics*

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	1993	1994	1995	1996	1997	1998	1999	2000	2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Total service revenues (in billions)..	$ 10.9	$ 14.2	$ 19.1	$ 23.6	$ 27.5	$ 33.1	$ 40.0	$ 52.5	$ 65.0
Ending subscribers (in millions).....	16.0	24.1	33.8	44.0	55.3	69.2	86.0	109.5	128.4
Subscriber growth.....	45.1%	50.8%	40.0%	30.4%	25.6%	25.1%	24.3%	27.3%	17.3%
Ending penetration.....	6.2%	9.4%	13.0%	16.3%	20.2%	25.1%	30.8%	39.2%	45.7%

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* Source: Cellular Telecommunications & Internet Association and Paul Kagan Associates.

Recent industry trends

The growth in the wireless communications industry in terms of subscribers, revenue and cash flow has been substantial and has been influenced by the following industry trends. While we believe that the industry will continue to experience growth, we believe that the pace of future growth will slow.

Digital capabilities and innovative pricing are driving demand and penetration levels and impacting network capacity. Increasing demands on network capacity may lead to future alliances among carriers and further industry consolidation fueled by carriers' needs for scope and scale. Digital network characteristics, including longer battery life, improved voice quality, custom calling features and data capabilities, have improved the subscriber experience. Many carriers offer larger bundles of included minutes and national flat rate pricing, increasing the affordability of wireless service and resulting in increased penetration levels and usage. While increasing usage is driving network efficiencies and revenue growth, it also is impacting capacity demand in some markets, necessitating capital expenditures to increase existing network capacity. The need for carriers to expend capital efficiently for these purposes has led some carriers to enter into cooperative agreements in some markets to share spectrum and/or network build-out expenses and may lead to further industry consolidation.

Deployment of next generation network technology, digital platforms enabling two-way short messaging, development of additional wireless data applications and color screen handsets should drive expanded wireless usage. Existing and future wireless data technologies, coupled with the widespread use of the Internet, have caused wireless providers to focus on wireless data services. Most carriers now offer wireless Internet access and two-way short messaging services. Generally, adoption of most of these services by subscribers has not been as fast as originally anticipated. However, short messaging service usage has recently been increasing at a faster pace, particularly since the introduction of inter-carrier operability that permits messages between subscribers of different carriers. Most national carriers have recently introduced applications that can be downloaded to their subscribers' handsets, in addition to handsets with color screens that enhance the subscribers' use of such applications. Most of these carriers have upgraded or are in the process of upgrading their networks to permit higher-speed data transmission that allows or will allow them to offer higher-speed applications such as enterprise applications, image downloads, photo messaging, music, games and full browsing capabilities for laptop computer users.

The wireless communications industry is experiencing significant technological change, including the increasing pace of digital system changes, evolving industry standards, ongoing improvements in the capacity and quality of digital technology, shorter development cycles for new services and changes in end-user needs and preferences. There is uncertainty regarding the extent that customer demand and service revenues will continue to increase. In addition, alternative technologies may develop for the provision of services to subscribers that may provide wireless communications services or alternative services superior to those currently available from wireless providers.

Business Strategy

Our goal is to be the acknowledged market leader in providing wireless voice and data communication services in the U.S. Our focus is on high-quality service across a cost-effective digital network while meeting the growing needs of our subscribers. To accomplish this goal, we must continue to implement the following key elements of our business strategy to differentiate our service:

Provide highest network quality. We will continue to build-out, expand and upgrade our digital network in an effort to provide sufficient capacity and seamless and superior coverage throughout our licensed area so that our subscribers can enjoy consistent features and high-quality service, regardless of location. We will continue to explore strategic opportunities to expand

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our overall national coverage through selective acquisitions of wireless operations and spectrum licenses. We believe that network quality is a key differentiator in the U.S. market and a driver of customer satisfaction. As of December 31, 2002, our digital network reached approximately 96% of our covered population, and our next generation 1XRTT upgrade to our digital network, which provides increased voice capacity, reached approximately 80% of our covered population. We will continue to expand our digital and 1XRTT coverage and expect both to reach nearly 100% of our covered population, with remaining non-digital, analog cells to be converted directly to the 1XRTT standard, by mid-2003. 1XRTT, a packet-switched protocol, also allows us to develop significantly higher data rates for wireless data applications such as enterprise applications, image downloading, music, games, and full browsing capabilities for laptop computer users.

Continue to strengthen, promote and differentiate the Verizon Wireless brand. We will continue our efforts to maintain the "Verizon Wireless" brand as one of the most respected brand names in the U.S. Our total brand awareness is 99% among wireless users and prospects, based on an external study, the highest among the national wireless carriers. Our "Test Man" brand campaign has been successful in differentiating our network in the marketplace. In addition, Verizon Communications' brand advertising benefits us in markets where we both provide services.

Profitably acquire, satisfy and retain our customers and increase the value of our service offerings to customers. Our revenue and net income growth will be achieved by retaining our existing base of customers and increasing their usage of our services, as well as by obtaining new customers. We believe quality customer service increases customer satisfaction, which reduces churn, and will be a key differentiator in the wireless industry. We are committed to providing high-quality customer care, investing in loyalty and retention efforts and continually monitoring customer satisfaction in all facets of our service. Key elements of our commitment to customer service include our Worry Free Guarantee, which outlines the specifics of our commitment to each Verizon Wireless customer; incentives for two-year contracts; and convenient locations to initiate service and receive customer support. In addition, we believe that increasing the value of our service offerings to subscribers will increase retention of existing subscribers and attract new subscribers. We will continue to offer clear and simple-to-understand service offerings, such as our America's Choice plans, to enhance subscriber awareness and use of our services.

Continue to expand our wireless data and messaging offerings for both consumer and business subscribers. We believe that we are in a strong position to take advantage of the growing demand for wireless data services. To capture this potential growth, we plan to focus on consumer, mobile professional and enterprise solutions by providing anytime/anywhere access on a variety of devices to subscribers. Our strategy is to leverage our wireless portal co-branded with Microsoft, partner with the industry's premier applications providers for enterprises, create customized solutions for vertical markets and offer a wide variety of data options, including downloadable applications for both enterprises and consumers.

Increase operating margins and capital efficiency. We believe that our success will depend, in part, on our ability to continue to increase our operating efficiency, thereby increasing operating margins. We are undertaking a number of initiatives to increase our margins by lowering costs associated with our network and customer service and by leveraging our scale.

Capitalize on our relationship with our owners. We continue to benefit from our relationship with Verizon Communications and Vodafone, our two owners. Verizon Communications is the largest provider of wireline voice and data services in the U.S. in terms of the number of subscribers. We believe this may present promotional and service bundling opportunities. Vodafone is one of the leading global wireless telecommunications companies, with extensive experience in international markets that have a higher adoption of wireless data and prepaid services, which we view as under-penetrated markets in the U.S. We have been working with Vodafone on joint marketing efforts targeted to global accounts. We are also working with Vodafone, as well as infrastructure and handset vendors, to provide our subscribers with global roaming across our and Vodafone's networks.

Strategic Acquisitions

One of our primary business strategies is to build-out and expand our digital network so that we may provide sufficient capacity and seamless and superior coverage nationally on a cost-efficient basis. We have entered into several recent transactions to acquire spectrum licenses and assets of

providers in certain markets in order to help us implement this strategy.

On August 15, 2002 we combined the business operations of Price Communications Wireless, Inc. with certain of our assets, in a transaction valued at $1.7 billion, including $550 million in net debt that was assumed and redeemed. Under the terms of the transaction, we and Price Communications Wireless formed a limited partnership consisting of Price Communications' wireless operations and certain of our assets. We control and manage the partnership. Price received a preferred limited partnership interest that is exchangeable, under certain circumstances, into our equity, if an initial public offering of our equity occurs, or into common stock of Verizon Communications, if an initial public offering of our equity does not occur within four years. Price Communications Wireless provided 800 MHz wireless service to approximately 411,000

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subscribers in areas where approximately 3.5 million people reside in Alabama, Florida, Georgia and South Carolina where we did not previously provide service.

In addition, on December 19, 2002, we signed an agreement with Northcoast Communications, L.L.C., to purchase 50 PCS licenses and related network assets, for approximately $750 million in cash. Network investment for additional capacity has been factored into our near-term capital program and we will fund the purchase utilizing our existing intercompany loan facility with Verizon Communications. The licenses cover large portions of the East Coast and Midwest, including such major markets as New York; Boston; Minneapolis, MN; Columbus, OH; Providence, RI; Rochester, NY; and Hartford, CT. Total population served by the licenses is approximately 47.2 million and includes 10 MHz in each of the 50 license areas, in the D, E, and F blocks of the 1800-1900 MHz frequency band. The transaction is subject to customary closing conditions, including FCC approval of the assignment of the licenses to us, and is expected to close during the second quarter of 2003.

Competition

There is substantial competition in the wireless telecommunications industry. We expect competition to intensify as a result of the higher penetration levels that currently exist in the industry, the development and deployment of new technologies, the introduction of new products and services, the auction of additional spectrum, and regulatory changes. Other wireless providers, including other cellular and PCS operators and resellers, serve each of the markets in which we compete. We currently provide service to 49 of the top 50 markets in the U.S., and each of these 49 markets has an average of five other competing wireless providers. Competition also may increase to the extent that smaller, stand-alone wireless providers transfer licenses to larger, better capitalized and more experienced wireless providers.

We compete primarily against five other major wireless service providers: AT&T Wireless, Cingular Wireless, Nextel Communications, Sprint PCS and T-Mobile USA (formerly VoiceStream). The wireless communications industry experienced significant consolidation during the past several years. This trend may continue. Further consolidation may create larger, well-capitalized competitors with substantial financial, technical, marketing and other resources to compete with our offerings.

We believe that the following are the most important competitive factors in our industry:

- Brand recognition. We introduced the "Verizon Wireless" brand name in April 2000. Based on an external study done in late 2002, our total brand awareness is the highest among the national wireless carriers.

- Network quality and coverage. In recent years, competition in our industry has led to lower prices and to the popularity of pricing plans that do not charge for roaming. As a result, the ability to offer high quality national coverage through one's own network is important. We own licenses that cover much of the country and we will need to expend significant amounts to complete the build out of our network. We have a more extensive network than any of our competitors. Most of our competitors also have build-out needs, which they are seeking to mitigate with affiliate relationships with other wireless providers that permit them to reduce the cost of roaming through network sharing arrangements.

- Network technology and digital service. Digital service offers benefits to the subscriber and also permits a network to have greater capacity. Our network is mostly, but not yet fully, digital. We expect to have digital technology fully deployed in nearly all of our network in 2003. Some of our competitors have fully digital networks.

- Customer service. Quality customer service and care is essential to ensure that existing subscribers do not terminate service and to obtain new subscribers. We are very focused on improving our customer service and care. Most of our competitors are also focusing on improving customer service and care.

- Capital resources. In order to expand and build-out networks and introduce next generation services, wireless providers require significant capital resources. We generate significant cash flow from operations and have well-capitalized owners. Some of our competitors also have significant cash flow and well-capitalized owners.

As a result of competition, we may encounter further market pressures to:

- increase advertising and promotional spending;
- reduce our prices;
- restructure our service packages to offer more value;
- respond to particular short-term, market-specific situations, for example, special introductory pricing or packages that may be offered by new providers launching their service in a particular market;
- increase our capital investment to ensure we retain our market leadership in service quality; or

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- introduce new service offerings that are less profitable.

Such market pressures could cause us to experience lower revenues, margins and average revenues per user.

Some of the indirect retailers who sell our products also sell many of our competitors' products, which may lead to consumer confusion and increasing movement of subscribers between competitors, and could have a material adverse effect on our results of operations. Our competitive success will depend on our ability to anticipate and respond to various factors affecting the industry, including the factors described above, new services and technologies, changes in consumer preferences, regulatory changes, demographic trends, economic conditions, and pricing strategies by competitors.

Wireless Services

Our service packages are designed around key customer groups, from the young adult market to multinational business accounts. We tailor our voice and data offerings, pricing plans and handsets to the needs of these customers.

Voice Services

Price plans. We offer a variety of simple, straightforward packages with features and competitive pricing plans that are designed to meet the needs of various consumer and business users, at the local, regional and national level. Specifically, we offer:

- the America's Choice plans, which offer simple, flat-rate nationwide service with no additional roaming and long distance charges for calls on our preferred network within the U.S.;

- family/small group and shared minute plans designed for multiple-user households and small businesses;

- mobile-to-mobile plans for multiple-user households and small work groups;

- corporate plans targeted at major accounts, which are businesses with over 100 lines;

- plans targeted at national accounts with over 1,000 wireless lines; and

- basic services and enhanced features, including caller ID, call waiting and call forwarding, three-way calling, no answer/busy transfer, voice recognition, voice mail and Mobile Messenger short messaging service.

We set consistent pricing guidelines in order to maintain uniform marketing across our markets, but we customize our plans by local market in terms of the number of minutes and other features included at each access point based on local competitive needs.

Prepaid. We believe the prepaid market represents a large and growing under-penetrated market opportunity. We market prepaid service to distinct consumer groups. Our national digital prepaid product, branded "[FREEUP]", is aimed directly at the youth and young adult markets. [FREEUP] includes on-network roaming and long distance, reduced rates for nights and weekends and mobile-to-mobile pricing along with Mobile Messenger two-way short messaging and voicemail. In addition, we believe that the introduction of data services such as Get It Now will enhance the attractiveness of [FREEUP] to the youth and young adults markets. While we have historically experienced higher churn rates with our prepaid subscribers than other subscribers, our experience has been that the increased churn is offset, at least in part, by the lower costs of acquiring new prepaid subscribers. Our prepaid calling plans utilize a billing service provided by Boston Communications Group, Inc. This billing service, and its use by us and others, is the subject of a patent infringement suit by Freedom Wireless, Inc. Should Freedom Wireless prevail, an injunction could be issued, which, depending on its timing, could prevent us from continuing to offer the prepaid calling plans, which would reduce our revenues and subscribers or we could be required to pay a licensing fee that could increase our costs. See "Legal Proceedings."

Telematics. Telematics involves the integration of wireless services into vehicles. Telematics products offer a variety of voice and data services, including directions, one-button access to an operator for roadside assistance, mobile e-mail and traffic alerts, and also permit an operator to access a car's

on-board diagnostic sensors to identify problems or to locate a stolen car. We are currently the national provider of wireless service to General Motors' OnStar service. We do not currently include telematics subscribers in our company's subscriber data.

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Wireless Data Services

We are a leader in providing wireless data services in the U.S. and offer the following products:

Express Network - 1XRTT. In 2002, we launched higher-speed 1XRTT technology, which is the next generation of code division multiple access ("CDMA") wireless data access, throughout the majority of our network, which enables higher-speed applications such as enterprise applications, image downloads, music, games and full browsing capabilities for laptop computer users. 1XRTT is a packet-switched protocol capable of average data rates of 40 to 60 kilobits per second, with bursts of up to 144 kilobits per second, depending on network traffic levels.

Get It Now. In 2002, we launched our Get It Now service using binary runtime environment for wireless ("BREW") technology from Qualcomm. BREW technology adds computer-like functionality to handsets, enabling applications to be downloaded over-the-air directly to the subscriber's wireless device. Consumers are charged transactional fees for subscriptions or downloads, which are included with their monthly service bill. Our Get It Now service includes a library of over 50 applications in the following categories:

- Messaging (get text, get email, get im);
- Information (get web, get info);
- Entertainment (get tunes, get games); and
- Imaging (get pix).

Mobile Messenger/Text Messaging. Our Mobile Messenger service offers two-way short messaging, which allows subscribers to both send and receive short text messages using handsets and various other devices. Two-way short messaging has demonstrated its appeal to both consumers, especially young adults, and business subscribers. For example, in December 2002, approximately 3.6 million of our subscribers utilized our two-way messaging service. We also offer alert features, offering our subscribers numerous alert categories, which they can select over the Internet, that are tailored to particular customer markets. In April 2002, we launched inter-carrier service, providing interoperability of short messaging services over different wireless providers' networks.

Mobile Web. Our Mobile Web service offers easy to use, customized access to content through our portal, which is co-branded with Microsoft. This service allows subscribers to access the Internet, e-mail and personal information management tools, such as calendars and address books, through handset-based menus. We differentiate our services through our relationship with Microsoft and by facilitating our subscribers' access to Internet content through an easy-to-use, personalized format that allows them to use their desktop computers to select the data content they want displayed on their handsets. These customized content services, when integrated with our two-way short messaging service, allow us to provide critical information to our subscribers on a timely basis while they are mobile. Through our partnerships with premier content providers, we currently offer our subscribers access to a wide variety of services, in categories including information, instant messaging and gaming.

Wireless Business Solutions. We are also developing applications and strategic service offerings for business subscribers designed to enhance their overall productivity by providing handset access to secure corporate intranets and e-mail accounts using our voice portal and other technologies. Our voice portal, "Voice Gear", was launched in November 2002.

Mobile Office. Our Mobile Office product permits subscribers to use their laptop or personal digital assistant, through their handset, to access the Internet or back office enterprise servers for various applications like Internet access and e-mail. We also offer a stand-alone PC card that permits a subscriber to access the Internet using a laptop without the need to use one of our handsets. These PC cards use our 1XRTT data technology. We also provide each subscriber to our service compression software, which provides increased speeds for Internet traffic.

CDPD Services. In 1994, we were the first wireless provider to introduce cellular digital packet data ("CDPD") service, which we now offer in many major U.S. metropolitan areas. In addition, our CDPD subscribers can roam on the CDPD networks of other wireless providers. The service is used for data communications in public safety, field service, remote Internet access and retail. We also sell CDPD capacity on a wholesale basis to third party service

providers, which provide wireless data services to end-users. Although our largest CDPD roaming partner, AT&T Wireless, has announced plans to phase out CDPD services in 2004, we intend to continue to support CDPD through the end of 2005, by which time we intend to transition subscribers and applications to our high-speed 1XRTT Express Network.

While we anticipate that wireless data will assist us in attracting and retaining subscribers, our wireless data services may not be as successful as anticipated. The deployment and delivery of wireless data services relies, in many instances, on new and

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unproven technology that may require substantial capital outlays and additional spectrum capacity. Furthermore, wireless data services entail additional specific risks. For example, the success of wireless data services substantially depends on the ability of others to develop applications for wireless devices and to develop and manufacture devices that support wireless applications. In addition, there could be legal or regulatory restraints on wireless data services as the applicable laws and rules evolve.

Handsets

We believe that our leading position in the U.S. wireless industry in terms of the number of subscribers has enabled us to become the service provider of choice for handset manufacturers and has helped us to develop exclusive offers for our subscribers and branded handsets that complement our focus on high-quality service. For example, we were the first wireless provider to introduce a 1XRTT handset that includes global positioning system ("GPS") technology. GPS technology provides emergency 911 compatibility, capable of providing the caller's number and location to public safety agencies, and will enable future location-based services. In June 2002, we introduced nationally the first BREW-compatible device in the U.S. to include a color screen. In September 2002, we introduced our first 1XRTT and BREW-compatible handset with a color screen. We introduced a variety of 1XRTT-compatible devices in 2002 in addition to handsets, including a modem-and-voice card from Sierra Wireless that permits users to transmit voice or data from their devices over our high-speed Express Network, and Thera, a Pocket PC from Audiovox. We also make connectivity kits available for purchase that allow the user to utilize the handset as a modem that can connect to our 1XRTT high-speed Express Network.

All of the handsets that we offer are headphone/earphone compatible. In order to maintain customer satisfaction and loyalty, our subscribers can purchase protection for their handsets and accessories through third-party insurance providers, extended warranty and repair and upgrade options. We also offer our subscribers accessories, such as chargers, headsets, belt clips, faceplates and batteries.

Suppliers. We purchase handset and accessory products from a number of manufacturers, with the substantial majority of our purchases distributed among Motorola, LG Info Comm, Kyocera Corporation, Audiovox Corporation and Nokia Corporation. A key component of all wireless handsets is the chipset, which contains the "intelligence" of the handset. Nokia produces its own CDMA chipsets; all of our other handset suppliers rely on Qualcomm Incorporated for the manufacturing and supply of chipsets. Additionally, there are a number of other components common to wireless handsets provided by various electronic component manufacturers that we do not deal with directly. Disruption of the supply of Qualcomm chipsets to a number of our core suppliers or a shortage of common components to a number of suppliers could have a material adverse effect on our ability to sell handsets to new subscribers.

Product Distribution. We have developed relationships with Communications Test Design, Inc. and New Breed Corporations for substantially all of our handset and other product warehousing, distribution and direct customer fulfillment, as we do not own significant warehousing and distribution infrastructure.

Paging

We offer local, regional and nationwide messaging and narrowband PCS services in all 50 states, the District of Columbia and portions of Canada. Compared to traditional messaging, narrowband PCS permits us to offer more services, including two-way messaging, the ability to reply to e-mails and to deliver a variety of information services such as mail, weather summaries, news and other information. We had approximately 1.9 million units in service as of December 31, 2002, a reduction of 624,000 units since January 1, 2002. Like many others in the paging industry, we have experienced a decline in the number of paging units in service and expect the decline to continue. We do not currently include paging subscribers in our company's subscriber data.

Network

We have licenses to provide mobile wireless services on the 800 MHz or 1800-1900 MHz portions of the radio spectrum in areas that include approximately 252 million people, or 90% of the U.S. population. The 800 MHz portion is used to provide either analog or digital cellular services, while our 1800-1900 MHz areas are all digital and provide PCS services. We also have licenses to provide messaging and narrowband PCS services on the portions of the radio spectrum set aside for those services. We obtained our domestic spectrum assets through application lotteries, mergers, acquisitions,

exchanges, FCC auctions and allotments of cellular licenses.

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Coverage

We have the largest network coverage of any wireless telephone carrier in the U.S., with licensed and operational coverage in 49 of the 50 largest metropolitan areas. As of December 31, 2002, our built network, which includes approximately 19,300 cell sites, covered a population of approximately 228 million and provides service to approximately 32.5 million subscribers. In addition, we have signed numerous roaming agreements with a variety of providers, including ALLTEL, Sprint PCS, AT&T Wireless, Cingular Wireless, US Cellular and Western Wireless, to ensure that our subscribers can receive wireless service in virtually all areas in the U.S. where wireless service is available. Many of these agreements are terminable at will by either party upon several months' notice. Some competitors, because of their call volumes or their affiliations with, or ownership of, other wireless providers, may be able to obtain roaming rates that are more favorable than the rates we obtain.

We offer analog and digital service in our 800 MHz markets and digital service in our 1800-1900 MHz markets. While our 800 MHz markets are substantially built-out, some of our 1800-1900 MHz markets still require significant build-out, and, overall, areas where approximately 10% of the population in our licensed areas, or 24 million people, reside are not yet covered. In addition, even those areas of our network that are substantially built require upgrades to increase capacity and to accommodate succeeding generations of digital technology.

As we continue to build and upgrade our network, we must complete, or have others complete, a variety of steps, including securing rights to a large number of cell site and switch site locations and obtaining zoning and other governmental approvals. Adding new cell sites has become increasingly difficult. In particular, high density wireless networks require more engineering precision, as cell site coverage areas become smaller and acceptable locations for new sites must be specifically located within one or two city blocks. In some instances, we have encountered difficulty in obtaining the necessary site leases at commercially reasonable rates and the zoning approvals needed to construct new towers. In addition, the ability to buy or lease property, obtain zoning approval and construct the required number of radio facilities at locations that meet the engineering design requirements is uncertain. We utilize tower site management firms, primarily Crown Castle International Corp., and, to a lesser extent, American Tower Corporation, as lessors or managers of the majority of our existing tower sites upon which our operations depend, and plan to rely upon them for some of the sites we expect to add in the future. We sometimes rely upon the same firms to obtain real estate and tower locations for the continued expansion of our network and the same firms serve many of our competitors' networks, so they have potentially conflicting interests. Two of our tower site management firms have passed through bankruptcy in the last year. While a bankrupt firm could reject its leases with us, we have not been adversely affected to date.

Additionally, problems in vendor and equipment availability, technical resources or system performance could delay the launch of operations in new markets or conversion to digital or enhanced digital technologies or result in increased costs in all markets. Our primary switch and cell site equipment infrastructure vendor is Lucent Technologies Inc., which currently provides approximately 64% of our switches and the majority of our cell site equipment, and Motorola, Inc. and Nortel Networks Corp., which provide nearly all of our remaining switches and cell site equipment. The majority of our markets are restricted, for reasons of economic practicality and/or technical compatibility, to using cell site equipment provided by the supplier of the switch serving that particular market. Although we have deployed interoperable switch and base station equipment from two of our infrastructure suppliers in several markets and there has been some recent success in establishing industry interoperability standards among vendors, these standards are not widely implemented and may not be fully practical because they do not cover all system features and attributes.

Technology

CDMA technology is our primary network technology platform and as of December 31, 2002, was available to approximately 96% of the population to which we provide service, or approximately 220 million people. We expect digital coverage to reach nearly 100% by mid-2003. We believe ours to be the most extensive digital mobile wireless network of any company in the U.S., supporting 28.6 million digital subscribers. Digital usage currently accounts for approximately 97% of our busy-hour traffic.

There are several existing digital technologies for mobile wireless communications, and each is incompatible with the others. We have selected CDMA

technology and its compatible 1XRTT upgrade for our network because we believe that this technology and its evolution path offer several advantages. Other wireless service providers have chosen global system for mobile communications ("GSM") or other technologies. At present, GSM leads in worldwide market share. GSM's scale advantages may enable lower equipment costs and a faster pace of technology evolution. Current or future versions of CDMA and 1XRTT may not provide the advantages that we expect.

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Next Generation Deployment

We began implementing CDMA digital technology in 1996 with the deployment of IS-95, a digital standard. In 2001, we began our deployment of the next generation of CDMA, known as "1XRTT," and we commercially launched 1XRTT in the first quarter of 2002. Our 1XRTT network, branded and marketed as our Express Network, enables increased spectral efficiency for voice services and high-speed wireless data services. Once 1XRTT is fully deployed and all our subscribers are using next generation handsets, it is expected to almost double our network's voice capacity compared to the previous version of CDMA. Our next generation migration strategy has been successful as we have achieved a pervasive next-generation technology footprint quickly and cost effectively while maintaining spectral efficiency. As of December 31, 2002, we have commercially deployed 1XRTT in portions of our network that cover approximately 80% of the population covered by our network, and 84 of the 100 most populated U.S. metropolitan areas. We expect 1XRTT to reach virtually all of the population covered by our network by mid-2003, with almost all remaining analog cell sites being converted to digital and employing 1XRTT technology.

In addition to 1XRTT, the CDMA technology path includes 1XEV, a technological upgrade that could follow 1XRTT. We expect 1XEV to be capable of data rates of up to 384 kilobits per second for mobile users and up to 2.4 megabits per second for stationary users. We have successfully completed 1XEV technical trials in 2002 and plan commercial trials in San Diego and in Washington, D.C. and certain of its suburbs later in 2003.

We have been able to implement 1XRTT, and would be able to implement 1XEV, by changing plug-in components and software in our CDMA network rather than replacing our existing network. Because 1XRTT and 1XEV involve upgrades and not replacements of our existing network, the capital expenditures necessary for the upgrades are more limited than those required for the replacement of our network.

Wireless providers have begun to introduce improved next generation wireless products and may soon introduce other advanced wireless products. There are multiple, competing next generation standards, several options within each standard, vendor-proprietary variations and rapid technological innovations.

Cost Structure

An effective and efficient network is necessary to ensure that we have a competitive cost structure. Digital technology helps us improve our network's effectiveness and efficiency by enhancing capacity and providing network usage with less capital and operating expense per minute of use than analog technology. Fixed costs, such as those related to towers, shelters and other common equipment, are reduced per minute of use as they can be spread over a larger number of minutes because of the higher capacity of the CDMA network. Features associated with digital technology may also lead to lower per minute costs. For example, over-the-air programming of compatible handsets selects the most cost-effective roaming partners using preferred roaming lists.

We have also undertaken other initiatives to reduce our network cost and improve efficiency. We have migrated to lower-cost providers for our long distance services, such as Verizon Select Services. In addition, we own a microwave network, which extends from New York to Texas and provides two main benefits. First, it supports the carriage of our wireless long distance in those areas. Second, it provides redundancy for service interruption to other facilities, which is less expensive than purchasing alternative services from a third party. In addition, we have our own Signaling System 7, or SS7, network and thus have significantly reduced the need to pay others for those services. SS7 is a separate signaling channel needed for call set-up and advanced calling features.

The continued build-out, technological upgrade and capacity enhancements of our network will require significant capital outlays.

CDPD Network

Our CDPD network offers CDPD data transmission at speeds of up to 19.2 kilobits per second in major metropolitan areas. In addition, our CDPD subscribers can roam on the CDPD networks of other wireless providers. Although our largest roaming partner, AT&T Wireless, has announced plans to phase out CDPD services in 2004, we intend to continue to support CDPD service through 2005.

Spectrum

We currently own a combination of spectrum in the 800 MHz and 1800-1900 MHz bands that can be used for voice, messaging and data telecommunications, including Internet access. These bands consist of blocks of 10, 15, 25 and 30 MHz of spectrum, which combine to give us spectrum levels ranging from 10 MHz up to 45 MHz. We own at least 25 MHz blocks of spectrum in 49 of the top 50 markets in the U.S. We expect that the demand for our wireless services will grow over the next

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several years as the demand for both traditional wireless voice services and new wireless data Internet services increase significantly. See "--Industry Overview." Based upon our current assumptions as to growth in demand for voice and data services from our existing and new subscribers and our present plans for improving the efficiency of our use of our existing spectrum, we could need additional spectrum in some of our markets to meet anticipated demand within the next one to two years. The consummation of our December 2002 agreement with Northcoast Communications, L.L.C. to purchase 10 MHz PCS licenses in 50 markets, which is pending FCC approval of the assignment of the licenses to us, would enable us to meet this near-term spectrum requirement in those markets covered by the Northcoast transaction where this requirement exists. In the remaining markets (as well as those markets covered by the Northcoast transaction, in the event that this transaction does not close), we could take various steps, beyond those in our current plans, to increase the capacity of our existing spectrum and thereby extend that time period, such as adding more cell sites and further increasing usage of 1XRTT handsets, although these steps could be costly. Failure to obtain access to additional spectrum where required would result in degradation in the quality of our existing service through increased delays in initiating calls, more calls being dropped, and a reduction in our ability to provide other services and obtain new subscribers.

Actual developments might differ materially from our estimates. It is difficult to estimate the extent to which the conversion of subscribers to digital service and anticipated technological advances will themselves stimulate even greater usage per subscriber. In particular, it is difficult to predict the amount of spectrum that may be required to meet the demand for wireless data and Internet access, since it is a relatively new and developing market.

In addition to acquiring spectrum in the secondary market, one of the primary means to acquire additional spectrum is through participation in FCC auctions. In addition to 78 MHz of spectrum in the 700 MHz band that has been allocated for mobile and fixed wireless services, the FCC plans to license 90 MHz of spectrum in other bands that would be technically suitable for mobile and fixed wireless services. See "Regulatory Environment-Spectrum Acquisitions." We intend to continue to acquire more spectrum primarily through acquisitions from existing license holders, as we do not expect the FCC to auction any significant usable licenses in the near future. However, we expect substantial competition in acquiring new spectrum, and we may not be able to purchase additional spectrum on favorable terms or at all.

Messaging and Narrowband PCS

We currently have three nationwide one-way messaging channels for use by our paging network and one nationwide asymmetrically paired 50-12.5 kilohertz narrowband PCS license. We also resell narrowband PCS services using other carriers' networks. In addition, we have numerous market area licenses for one-way messaging and three regional asymmetrically paired 50-12.5 kilohertz narrowband PCS licenses. Our network, either directly or through reselling arrangements, provides local, regional and nationwide messaging and narrowband PCS services in all 50 states, the District of Columbia and portions of Canada.

Marketing

In addition to providing high-quality services and customer care, we focus our marketing strategy on targeting solutions based upon our subscribers' needs, promoting our brand, leveraging our extensive distribution network and cross-marketing with our owners.

We have established ourselves as a leading provider of wireless service in the U.S. An external study done in late 2002 found that our total brand awareness is 99%, the highest among the national wireless carriers. Our marketing efforts are focused on a coordinated program of television, print, radio, outdoor signage, Internet and point of sale media promotions. We coordinate our marketing efforts throughout our service area in order to ensure that our marketing message is consistently presented across all of our markets. Our promotion of the "Verizon Wireless" brand has been supplemented by Verizon Communications' own brand marketing efforts, reinforcing the awareness of our services in shared markets and capitalizing on the size and breadth of its customer base. We offer our national America's Choice plans, which appeal to nationwide travelers, our corporate plans, for large corporate customers, and prepaid plans that appeal to youth and multicultural markets, and budget conscious consumers.

Our pricing options, wireless data service offerings, equipment and enhanced features are designed to appeal to a wide range of consumer and business users.

Sales and Distribution

Our sales strategy is to use a mix of direct, indirect and resale distribution channels in order to increase subscriber growth while reducing subscriber acquisition costs. A goal of our distribution strategy is to increase direct sales through our company-owned stores, as well as through telemarketing and web-based initiatives, while simultaneously strengthening our indirect

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channels to maintain an extensive distribution system of highly trained sales agents. We believe that our extensive company-owned distribution system is a key strength and competitive advantage. We are investing significant resources to achieve this goal by providing our sales representatives with in-depth product and sales training. We also have programs in place to train indirect representatives and offer dedicated account service to our indirect retailers.

Direct

Company-owned Stores. Company-owned stores are a core component of our distribution strategy. Our experience has been that customers entering through our store channel are higher value subscribers who generate higher revenue per month on average than those who come through other mass-market channels and they are less likely to cancel their service. As of December 31, 2002, we operated approximately 1,260 stores, kiosks and carts.

Business-to-Business. We have a dedicated business-to-business sales force. We enable company-specific web environments for our business customers. We have developed extranets for business clients such as The Boeing Company, Gannett Co., Inc., General Electric Company, IBM Corporation, Microsoft, Qualcomm and Xerox Corporation that permit their employees to directly access online our negotiated corporate rates.

Telemarketing and Web-Based. We have a telemarketing sales force dedicated to receiving incoming calls. In addition, we offer fully-automated, end-to-end, web-based sales of wireless handsets, pagers, accessories and service in all of our markets. Our web-based sales channel, located at our web-site, www.verizonwireless.com, enables prospective subscribers to purchase a complete service package, including the handset, basic and enhanced features and accessories.

Indirect Retailers and Agents

We have approximately 66,000 indirect retail locations selling wireless services, including approximately 13,000 full service locations and 53,000 locations offering prepaid-calling replenishment only, as of December 31, 2002. We have programs in place to train and support indirect representatives. We have implemented a "store-within-a-store" program with RadioShack, our largest indirect retailer, at approximately 4,550 of its locations. In addition, we have arrangements to sell our wireless services through other national and regional retailers.

Resale

We also resell wireless capacity, with approximately 1.1 million resale lines as of December 31, 2002. We have approximately 40 resellers, including TracFone Wireless, our largest reseller, which resells our service on a prepaid basis and accounts for a majority of our total wholesale lines.

Our resale business involves the sale of wholesale access and minutes to independent companies that package and resell wireless services to end-users. We have dedicated wholesale account teams that work with these resellers and we provide them with billing records for their subscribers. These resellers generally provide prepaid and postpaid services to subscribers under their own brand names and also provide their own customer service and billing. As of December 31, 2002, our revenue from resale was approximately 1.3% of total revenue. Because we sell these services on a wholesale basis we incur no direct subscriber acquisition cost, although our total revenue per unit from resale is less than it is from our direct subscribers. As a result, our average revenue per user is negatively impacted by an increase in wholesale subscriber lines.

Customer Care, Retention and Satisfaction

Differentiated, best-in-class customer care, retention and satisfaction are essential elements of our strategy. The cost of adding new subscribers is one of the most significant cost elements in the wireless industry. Therefore, satisfying and retaining existing subscribers is critical to the financial performance of wireless operators. Our customer care, retention and satisfaction programs are based on ensuring subscriber convenience and ease of use and cultivating long-term relationships with our subscribers.

We offer our subscribers a full range of choices and options for making requests and inquiries to maximize convenience. Subscribers are able to contact us by telephone, in person at company-owned stores, through web-based applications and through our self-serve applications over the phone.

We have 26 full-service call centers. We also have established relationships with third-party vendors. As part of our commitment to delivering

superior customer service and our Worry Free Guarantee, we have undertaken a program to make the existing call centers even more efficient and effective through the enhancement of system capabilities and process improvement.

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We offer customer service in multiple languages and through Telecommunication Devices for the Deaf. In addition, we also offer customer care services over the Internet in many of our markets, allowing subscribers to review their monthly bill, analyze usage, make payments and obtain answers to frequently asked billing questions. We have also created dedicated teams to handle specialized markets, including data/Mobile Web customers, business customers, including both national accounts and small to medium-sized businesses, paging and prepaid customers.

We have a major national retention and loyalty program, our Worry Free Guarantee, under which we commit to provide an extensive and advanced network, responsive customer service, the option to change to any qualifying price plan or airtime promotion at any time with a new two-year contract without payment of any additional fees and a 15-day money-back equipment satisfaction guarantee. It also includes free handset upgrades every two years (up to a $100 value), which we call our New Every Two plan, provided that customers sign new two-year contracts with a retail price plan that costs $35 or more for monthly access.

Another major retention and loyalty program is a customer life cycle management program in which we contact customers at key points in their service tenure with targeted information and offers. The program offers proactive rate-plan analysis aimed at increasing the value of service to the customer and provides the customer with an opportunity to purchase enhanced services, features and accessories.

Information Systems

Our information systems consist of the following systems: billing, point of sale, provisioning, customer care, data warehouse, fraud detection and prevention, financial and human resources. These systems are comprised of systems from our predecessor companies. For example, in April 2000, we had 13 major billing systems and over 150 other systems keyed to the customer's geographic location. Since April 2000, we have completed the integration of our human resources management systems and internal financial reporting systems and currently have seven billing systems and 70 other systems. We have developed plans to further integrate and consolidate these systems into two billing systems and less than 30 other systems by the end of 2004.

We anticipate that the full implementation of these plans will be completed in 2004 and will contribute to a reduction in our operating costs and expenses as a percentage of revenues during each further stage of implementation. We employ experienced professionals who have in the past successfully consolidated billing systems, and we understand the complexities of consolidating these various systems. However, we may encounter difficulties that could cause disruptions in some of our markets while we integrate systems. Although we expect to realize continued cost savings from the integration of information systems, the integration process is costly and will take time to implement. We offer no assurance that we will be able to realize these cost savings, and we may suffer lapses in service or delays in billing our customers while we integrate systems.

Environmental Matters

We are subject to various foreign, federal, state and local environmental protection and health and safety laws and regulations, and we incur costs to comply with those laws. We own or lease real property, and some environmental laws hold current or previous owners or operators of businesses and real property liable for contamination on that property, even if they did not know of and were not responsible for the contamination. Environmental laws may also impose liability on any person who disposes of hazardous substances, regardless of whether the disposal site is owned or operated by such person. Although we do not currently anticipate that the costs of complying with environmental laws will materially adversely affect us, we may incur material costs or liabilities in the future due to the discovery of new facts or conditions, the occurrence of new releases of hazardous materials or a change in environmental laws.

Intellectual Property

We own or are licensed under a number of patents in the U.S. covering service offerings, and have also developed many brand names and trademarks for service offerings. We license patents and technology to and from our owners or their affiliates and third parties. Pursuant to these license agreements, our owners or their affiliates maintain the right to license or sublicense our patents and technology to third parties, including our competitors.

Verizon Communications owns the trademarks issued for "Verizon" and "Verizon Wireless" and some service offering names, but licenses them and other

marks to us on a non-exclusive basis until 2 1/2 years after it ceases to own any interest in our company or we begin to use a different brand name. We believe that the "Verizon Wireless" brand-name is very important to

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our business and we have invested substantial amounts to build our brand equity. Our non-exclusive license to use this name does present several risks to this brand equity:

- Because we market our products and services under the same name as Verizon Communications and other providers, including Verizon Communications' wireless provider in Puerto Rico, our reputation and ability to attract and retain subscribers could be adversely affected if the reputation of Verizon Communications or those other providers were to decline.

- The license will terminate if we fail to perform all material obligations under the contract or 2 1/2 years after Verizon Communications ceases to have any beneficial ownership of the partnership. In addition, we are required to change our brand name and discontinue the use of any trademarks owned by Verizon Communications at any time if we are directed to do so by Verizon Communications. We would then be required to develop a new brand identity, which could be costly and take time to be publicly recognized.

Similarly, Verizon Communications owns the trademarks for some of our service offering names, and licenses them to us on a non-exclusive basis. We face risks similar to those described above in connection with these trademarks.

Employees

As of December 31, 2002, we employed approximately 39,300 employees on a full-time equivalent basis. We consider our relationship with our employees to be good. Unions currently represent approximately 50 of our employees, but labor unions are attempting to organize various segments of our workforce and we expect ongoing efforts to organize our employees. Two unions, the Communications Workers of America and the International Brotherhood of Electrical Workers, have agreements with us that would require our company to take a neutral position if the union conducts an organizing campaign in some of our markets. The agreements further require us to recognize and bargain with these unions if they present union authorization cards signed by 55% of the employees in an appropriate bargaining unit within these markets. This "card check" organizing process is advantageous to unions because it allows them to avoid a more difficult secret ballot election process conducted by the National Labor Relations Board.

Regulatory Environment

The FCC regulates the licensing, construction, operation, acquisition and transfer of wireless systems in the U.S. pursuant to the Communications Act of 1934, as amended by the Telecommunications Act of 1996, and other legislation and the associated rules, regulations and policies promulgated by the FCC.

To use the radio frequency spectrum in the U.S., wireless communications systems must be authorized by the FCC to operate the wireless network and mobile devices in assigned spectrum segments, and must comply with the rules and policies governing the use of the spectrum as adopted by the FCC. These rules and policies, among other things, (1) regulate our ability to acquire and hold radio spectrum, (2) impose technical obligations on the operation of our network, (3) impose requirements on the ways we provide service to and communicate with our subscribers, (4) regulate the interconnection of our network with the networks of other carriers, and (5) impose a variety of fees and charges on our business that are used to finance numerous regulatory programs and part of the FCC's budget.

The process of obtaining U.S. operating authority for a wireless system requires three separate proceedings to be completed by the FCC: (1) allocating radio frequency spectrum segments for the services, (2) adopting rules and policies to govern the operation of the wireless systems in the allocated spectrum segments and (3) issuing licenses to applicants for use of the spectrum allocations.

In addition, because licenses are issued for only a fixed time, generally 10 years, we must periodically seek renewal of those licenses. The FCC will award a renewal expectancy to a wireless licensee that has provided substantial service during its past license term and has substantially complied with applicable FCC rules and policies and the Communications Act. The FCC has routinely renewed wireless licenses in the past, and none of our licenses has ever been denied or even challenged. However, the Act provides that licenses may be revoked for cause and license renewal applications denied if the FCC determines that a renewal would not serve the public interest. Violations of

FCC rules may also result in monetary penalties or other sanctions. FCC rules provide that competing renewal applications for licenses will be considered in comparative hearings and establish the qualifications for competing applications and the standards to be applied in hearings.

Wireless systems are subject to Federal Aviation Administration and FCC regulations governing the location, lighting and construction of transmitter towers and antennas and are subject to regulation under federal environmental laws and the FCC's

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environmental regulations, including limits on radio frequency radiation from mobile handsets and antennas. State and local historic preservation, zoning and land use regulations also apply to and can delay tower siting and construction activities.

We are licensed to use radio frequencies in several different spectrum allocations that are available for a wide range of communications services, even though the services may have different names and use different frequencies. Generally, those services can be divided into "broadband" services, which can be used for voice as well as data and messaging services, and "narrowband," which are used for nonvoice services, principally paging and messaging services. These two broad categories are separately discussed below.

Broadband Wireless Services Systems

Our cellular systems operate on one of two 25 MHz frequency blocks, known as the "A" and "B" blocks, in the 800 MHz band. Cellular systems principally are used for two-way mobile voice applications, although they may be used for data applications and fixed wireless services as well. Cellular licenses are issued for either metropolitan statistical areas or rural service areas, two in each area.

Our broadband PCS systems operate on one of six frequency blocks in the 1800-1900 MHz bands. PCS systems generally are used for two-way voice applications although they may carry two-way data communications and fixed wireless services as well. For the purpose of awarding PCS licenses, the FCC has divided the U.S. into 51 large regions called major trading areas, which are comprised of 493 smaller regions called basic trading areas. The FCC awarded two PCS licenses for each major trading area, known as the "A" and "B" blocks, and four licenses for each basic trading area known as the "C," "D," "E," and "F" blocks. The two major trading area licenses authorize the use of 30 MHz of PCS spectrum. One of the basic trading area licenses is for 30 MHz of spectrum, and the other three are for 10 MHz each.

The FCC permits licensees to split their licenses and assign a portion, on either a geographic, or "partitioned," basis or on a frequency, or "disaggregated," basis or both, to a third party. We hold some partitioned or disaggregated spectrum in various markets.

We must satisfy a range of FCC-specified coverage requirements. For example, all 30 MHz PCS licensees must construct facilities that offer coverage to one-third of the population of the service area within five years of the original license grants and to two-thirds of the population within 10 years. All 10 MHz PCS licensees must construct facilities that offer coverage to one-fourth of the population of the licensed area or "make a showing of substantial service in their license area" within five years of the original license grants. Licensees that fail to meet the coverage requirements may be subject to forfeiture of the license. We have met the coverage requirements that have applied to our systems to date.

We use common carrier point-to-point microwave facilities and dedicated facilities leased from communications companies or other common carriers to connect our wireless cell sites, and to link them to the main switching office. Where we use point-to-point microwave facilities, the FCC licenses these facilities separately, and they are subject to regulation as to technical parameters and service. Microwave licenses must also be renewed every 10 years.

Narrowband Services

We also hold a variety of authorizations granted by the FCC to provide narrowband messaging and paging services, including three nationwide licenses. We hold separate paging authorizations in the 150 MHz, 450 MHz and 900 MHz paging bands. These licenses are assigned both on a per transmitter basis and on a geographic area basis. Paging licenses were awarded historically on a per transmitter basis and most of our paging licenses were awarded on this basis.

Transfers and Assignments of Wireless Licenses

The Communications Act and FCC rules require the FCC's prior approval of the assignment or transfer of control of a license for a wireless system. Before we can complete any such purchase or sale, we must file appropriate applications with the FCC, and the public is by law granted a period of time, typically 30 days, to oppose or comment on them. In addition, the FCC has established transfer disclosure requirements that require licensees who assign or transfer control of a license acquired through an auction within the first three years of their license terms to file associated sale contracts, option agreements, management agreements or other documents disclosing the total

consideration that the licensee would receive in return for the transfer or assignment of its license. Non-controlling minority interests in an entity that holds an FCC license generally may be bought or sold without FCC approval. Effective January 1, 2003, the FCC repealed its "spectrum cap" rule, which had limited the total amount of PCS, cellular and specialized mobile radio spectrum any entity could hold. The only remaining rule restricting ownership of these licenses bars one entity from holding both cellular licenses in any rural service area. However, even without the former spectrum cap rule, the FCC has announced that it will still consider the competitive impact of any license transfer or merger of companies holding radio licenses on a case-by-case basis and may impose conditions on its

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approval of any transaction. In addition, notification and expiration or earlier termination of the applicable waiting period under Section 7A of the Clayton Act by either the Federal Trade Commission or the Department of Justice may be required, as well as approval by, or notification of, state or local regulatory authorities having competent jurisdiction, if we sell or acquire wireless systems.

Foreign Ownership

Under existing law, no more than 20% of an FCC licensee's capital stock may be directly owned or voted by non-U.S. citizens or their representatives, by a foreign government or its representatives or by a foreign corporation. If an FCC licensee is controlled by another entity, up to 25% of that entity's capital stock may be owned or voted by non-U.S. citizens or their representatives, by a foreign government or its representatives or by a foreign corporation. Indirect foreign ownership above the 25% level may be allowed should the FCC find such higher levels not inconsistent with the public interest. These requirements apply to licensee partnerships as well as corporations.

In its March 30, 2000 order approving the combination of the U.S. wireless operations of Bell Atlantic and Vodafone, the FCC concluded that the public interest would be served by allowing us to be indirectly owned by Vodafone in an amount up to 65.1%, but stated that additional FCC approval would be necessary before Vodafone could increase its investment further. The FCC also stated that it would have to approve in advance any acquisition by any other foreign entity or entities, in the aggregate, of an ownership interest of 25% or more. In addition, as part of the FCC's approval of the combination between Bell Atlantic and Vodafone, the parties entered into an agreement with the U.S. Department of Defense, Department of Justice and Federal Bureau of Investigation which imposes national security and law enforcement-related obligations on the ways in which we store information and otherwise conduct our business.

Spectrum Acquisitions

As is the case with many other wireless providers, we anticipate that we will need additional spectrum to meet future demand. We can attempt to meet our needs for new spectrum in two ways, by acquiring spectrum held by others or by acquiring new spectrum licenses from the FCC. The Communications Act requires the FCC to award new licenses for most commercial wireless services to applicants through a competitive bidding process. Therefore, if we need additional spectrum, we may be able to acquire that spectrum by participating in an auction for any new licenses that may become available or by purchasing existing facilities and incorporating them into our system, provided that we are permitted to do so under FCC rules.

In December 2002, we entered into an agreement with Northcoast Communications, L.L.C. to acquire fifty 10 MHz PCS licenses in each of 50 basic trading areas, including New York City and Boston. Acquisition of this spectrum will help address our short and long-term spectrum needs in various markets. We have filed the necessary applications with the FCC for approval of the assignment of the licenses to us and those applications remain pending.

In December 2000, the FCC began an auction of licenses for PCS spectrum that had been awarded in previous license grants but had been cancelled by the FCC and reclaimed from those prior licensees, who had filed for bankruptcy. We were the winning bidder for 113 of the 422 licenses offered. We agreed to pay a total bid price of approximately $8.8 billion upon receipt of the licenses and paid $1.8 billion as a deposit. There were no legal challenges to our qualifications to acquire these licenses. We were awarded 33 of the 113 licenses in August 2001 and paid approximately $82 million for them. However, the remaining licenses for which we were the high bidder were the subject of litigation by the original licensees, NextWave Personal Communications and UrbanComm Communicators. In light of that ongoing litigation, in April 2002, the FCC returned 85% of our deposit. In December 2002, pursuant to an FCC order, we dismissed our applications for these licenses, received back our remaining deposit, and were relieved of all our remaining obligations with respect to the December 2000 auction. On January 27, 2003, the U.S. Supreme Court ruled in favor of NextWave, finding that the FCC's cancellation of NextWave's licenses violated federal bankruptcy laws.

In July 2002, the U.S. Department of Commerce released a report identifying 45 MHz of spectrum (1710-1755 MHz) currently used by the federal government for reassignment to the FCC so that it can be licensed for commercial use. The FCC has announced that it plans to "pair" this spectrum with 45 MHz of spectrum that was previously reassigned in the 2100 MHz band,

and auction the entire 90 MHz for terrestrial mobile wireless use. This 90 MHz will provide additional capacity for commercial mobile radio service providers to provide 3G or other advanced services or to add additional capacity to provide existing services. However, before this spectrum becomes commercially available, the FCC must complete a pending rulemaking to adopt licensing and service rules, and it must adopt rules for auctioning the spectrum. In addition, because much of the 90 MHz is currently encumbered by government or other terrestrial users, issues related to "clearing" the spectrum (and reimbursing those incumbent users for relocation costs) must be resolved. Given these steps, it is unlikely that this spectrum will be available before the 2004-2005 time period.

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There are additional spectrum bands that may be suitable for our business, but this spectrum has not been allocated nor are auctions of this spectrum imminent. In addition, because much of this spectrum is encumbered by existing users, a band sharing plan or relocation of incumbent users would be necessary before the spectrum could be fully useable for new mobile wireless services.

The FCC has begun a number of different proceedings to reexamine its existing policies and rules governing the allocation and licensing of radio spectrum. For example, in June 2002, the FCC formed a "Spectrum Task Force" charged with comprehensively evaluating current spectrum policies and recommending changes to the FCC. In October 2002, the task force issued its report, and the FCC sought public comment on its recommendations. Among the areas discussed by the task force in its report are the rights of incumbent spectrum users, whether to adopt more "market-based" spectrum policies that would, for example, allow spectrum sharing among licensed users, and whether to adopt new policies governing interference with spectrum users. These proceedings could lead to reassignment of various existing license holders to different spectrum bands, change the technical and operational rules for various wireless services, authorize new technologies to operate in bands previously licensed for other uses, or adopt new radio interference standards for wireless services. Depending on the specific actions the FCC takes, the outcome of one or more of these proceedings could increase the radio interference with our operations from other spectrum users, place new users adjacent to our licensed spectrum, condition future renewals of our licenses on compliance with new spectrum use rules, authorize new services to operate without having to purchase spectrum at auction, or allow other users to share our spectrum. These changes potentially impact the ways in which we use our licensed spectrum, the capacity of that spectrum to carry traffic, and the value of that spectrum.

Recent Federal Regulatory Developments

The FCC does not specify the rates we may charge for our services nor does it require us to file tariffs for our U.S. wireless operations. However, the Communications Act states that an entity that provides commercial mobile radio services is a common carrier, and is thus subject to the requirements of the Act that it not charge unjust or unreasonable rates, nor engage in unreasonable discrimination. The FCC may invoke these provisions to regulate the rates, terms and conditions under which we provide service. In addition, the Act defines a commercial mobile radio service provider as a telecommunications carrier, which makes it subject to a number of other regulatory requirements in its dealings with other carriers and subscribers. These requirements impose restrictions on our business and increase our costs. Among the requirements that affect us are the following:

The FCC has imposed rules for making emergency 911 services available by cellular, PCS and other broadband commercial mobile radio service providers, including enhanced 911 services that provide the caller's communications number, location and other information. Commercial mobile radio service providers are required to take actions enabling them to provide a caller's automatic number identification and cell site if requested to do so by a public safety dispatch agency, at the provider's own cost. Other rules require providers over time to supply the geographic coordinates of the subscriber's location, either by means of network-based or handset-based technologies. Providers may not demand cost recovery as a condition of doing so, although they are permitted to negotiate cost recovery. These rules require us to make significant investments in our network and to reach agreements both with vendors of 911 equipment and state and local public safety dispatch agencies with no assurance that we can obtain reimbursement for the substantial costs we incur. In October 2001, the FCC granted us a limited waiver of the deployment schedule set forth in the rules, but we must meet a number of new deployment deadlines over the next four years. For example, we must sell increasing percentages of handsets that satisfy the 911 mandate. We may be required to subsidize the higher costs of these handsets in order to achieve mandated penetration levels among our subscribers.

The FCC has established federal universal service requirements that affect commercial mobile radio service providers. Under the FCC's rules, commercial mobile radio service providers are potentially eligible to receive universal service subsidies; however, they are also required to contribute to the federal universal service fund. In December 2002, the FCC issued an order that will significantly increase the amount of universal service contributions that commercial mobile radio service providers must pay beginning April 1, 2003. The FCC also adopted new rules regulating how carriers bill subscribers for universal service contribution costs that may require expenses for modifications to our billing systems. The FCC has also proposed to make further revisions later in 2003 that may have the effect of further increasing our

costs to support this program. Many states also have enacted or are considering state universal service fund programs. A number of these state funds require contributions, varying greatly from state to state, from commercial mobile radio service providers above and beyond contributions to the federal program. Expansion of these state programs will impose a correspondingly growing expense on our business.

The FCC has adopted rules regulating the use of telephone numbers by wireless and other providers as part of an effort to achieve more efficient number utilization. These rules required that wireless carriers be capable of participating in number "pooling" programs as of November 2002 and maintain detailed records of numbers used subject to audit. These mandates impose network capital costs as well as increased operating expenses on our business.

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The FCC has adopted rules on wireless local number portability that will enable wireless subscribers to keep their telephone numbers when switching to another carrier. The FCC rules require wireless carriers to offer number portability to their subscribers beginning in November 2003. While this requirement is presently under appeal by the wireless industry, wireless carriers are concurrently implementing automated processes to enable number portability. The overall impact of this mandate is uncertain. If the wireless industry's appeal is unsuccessful, we anticipate that the mandate will impose increased operating costs on our business and may also cause a temporary increase in subscriber churn and subscriber acquisition and/or retention costs.

The FCC has also adopted rules requiring wireless providers to provide functions to facilitate electronic surveillance by law enforcement officials pursuant to the Communications Assistance for Law Enforcement Act. This mandate will impose costs on us to purchase, install and maintain the software and other equipment needed.

The Communications Act and the FCC's rules grant various rights and impose various obligations on commercial mobile radio service providers when they interconnect with the facilities of local exchange carriers. Generally, commercial mobile radio service providers are entitled to "reciprocal compensation," in which they are entitled to charge the same rates for terminating wireline-to-wireless traffic on their system that the local exchange carriers charge for terminating wireless-to-wireline calls. Interconnection agreements are typically negotiated by carriers, but in the event of a dispute, state public utility commissions, courts and the FCC all have a role in enforcing the interconnection provisions of the Act. Although we have local exchange carrier interconnection agreements in place in most of our service areas, those agreements are subject to modification, expiration or termination in accordance with their terms, which may increase our costs beyond the significant amounts we currently pay for interconnection. The FCC has begun a proceeding that is reassessing its interconnection compensation rules. For these reasons there may be changes to the interconnection prices or other terms that we currently have in our agreements.

The FCC has adopted rules to govern customer billing by all telecommunications carriers and the carriers' use and disclosure of customer proprietary information. It adopted additional detailed billing rules for landline telecommunications service providers and is considering whether to extend these rules to commercial mobile radio services providers, which could add to the expense of our billing process as systems are modified to conform to any new requirements. In addition, as noted above, the new universal service fund rules regulate the collection of universal service contributions from customers.

Other FCC rules determine the obligations of telecommunications carriers to make their services accessible to individuals with disabilities. The order requires wireless and other providers to offer equipment and services that are accessible to and useable by persons with disabilities. While the rules exempt telecommunications carriers from meeting general disability access requirements if these results are not readily achievable, it is not clear how the FCC will construe this exemption. For example, the FCC is considering whether to require that digital handsets be modified to permit their use by hearing-impaired customers. Accordingly, the rules may require us to make material changes to our network, product line or services at our expense.

State Regulation and Local Approvals

With the rapid growth and penetration of wireless services has come a commensurate surge of interest on the part of some state legislatures and state public utility commissions in regulating our industry. This interest has taken the form of efforts to regulate customer billing, termination of service arrangements, advertising, filing of "informational" tariffs, certification of operation, service coverage and quality, drivers' use of handsets, provision of emergency 911 service, and many other areas. We anticipate that this trend will continue. It will require us to devote resources to working with the states to respond to their concerns while minimizing any new regulation that could increase our costs of doing business.

While the Communications Act generally preempts state and local governments from regulating entry of, or the rates charged by, wireless carriers, it also permits a state to petition the FCC to allow it to impose commercial mobile radio service rate regulation. No state currently has such a petition on file, but as wireless service continues to grow, the possibility of new regulation increases. In addition, the Act does not preempt the states from regulating the other "terms and conditions" of wireless service. Several states have invoked this language to impose, or propose, various consumer-related

regulations on the wireless industry such as rules governing customer contracts and advertising. States also may impose their own universal service support regimes on wireless and other telecommunications carriers, similar to the requirements that have been established by the FCC. The most extensive rules regulating our business have been proposed by the California Public Utilities Commission. Because of the scope of these rules and the size of our business in California, the rules would impose significant costs on us if they are adopted in their present form.

At the local level, wireless facilities typically are subject to zoning and land use regulation. Neither local nor state governments may categorically prohibit the construction of wireless facilities in any community or take actions, such as indefinite moratoria, which have the effect of prohibiting service. Nonetheless, securing state and local government approvals for new tower sites has been and is likely to continue to be difficult, lengthy and costly.

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In addition, state commissions have become increasingly aggressive in their efforts to conserve telephone numbering resources. These efforts may impact us and other wireless service providers disproportionately, given the industry's growing demand for new numbers, by imposing additional costs or limiting access to numbering resources. Examples of state conservation methods include number pooling, number rationing and code sharing.

Finally, states have become more active in imposing fees and taxes on wireless carriers to raise general revenues and to pay for various regulatory programs. In many states, some of these fees and taxes are not imposed on other industries, placing a greater tax burden on us. In addition to the cost of complying with new regulatory requirements, these fees also increase our costs of doing business and may result in higher costs to our subscribers.

Item 2. Properties

We maintain our corporate headquarters in Bedminster, New Jersey and have four area and 22 regional offices, as well as additional offices for our paging services, located throughout the United States. We also maintain facilities comprised of administrative and sales offices, customer care centers, retail sales locations, switching centers, cell sites and data centers. Locations are generally leased to provide maximum flexibility, with the exception of switching centers, which are usually owned due to their critical role in the network and high set-up and relocation costs.

As of December 31, 2002, we operated approximately 1,260 retail stores and kiosks that support our direct distribution channel. Additionally, we had 170 offices and 6 storage facilities. At that date, network properties included 148 switching locations and approximately 19,300 cell sites, as well as additional properties for our paging network. We believe that our facilities are suitable for their purposes and that additional facilities can be secured for our anticipated needs, although we may have difficulty obtaining additional cell sites.

Our gross investment in property, plant and equipment consisted of the following at December 31:

(in millions)	2002	2001
Land and improvements	$ 94	$ 68
Buildings	3,768	3,048
Wireless plant equipment	21,719	19,465
Rental equipment	162	196
Furniture, fixtures and equipment	2,703	2,599
Leasehold improvements	798	737
Gross property, plant and equipment	$ 29,244	$ 26,113

Item 3. Legal Proceedings

From time to time, we are a party to various litigation matters incidental to the conduct of our business. We are a defendant in a number of actions, including class actions, arising out of our business as well as the business affairs of the AirTouch, GTE Wireless and PrimeCo entities that now comprise our business.

Under the U.S. Wireless Alliance Agreement between Vodafone and Verizon Communications, we have rights of indemnification from Vodafone and Verizon Communications. Generally, under this agreement, Vodafone and Verizon Communications, as the successor to Bell Atlantic and GTE, are required to indemnify us for losses, as that term is defined in the underlying agreements, that may be incurred in connection with wireless businesses formerly conducted by Vodafone, Bell Atlantic and GTE, and pertaining to events which occurred or causes of action which existed prior to April 3, 2000, with respect to Vodafone and Bell Atlantic, and prior to July 10, 2000, with respect to GTE. This indemnification does not apply to PrimeCo assets contributed to us and is subject to exceptions. See "Certain Relationships and Related Party Transactions--U.S. Wireless Alliance Agreement."

To the extent, therefore, that we may be subject to liability or loss in connection with any of the following matters and arising out of events or causes of action which existed prior to the dates set forth above, we intend to

exercise our right to be indemnified by Vodafone or Verizon Communications for such liability or loss. See "Certain Relationships and Related Party Transactions--U.S. Wireless Alliance Agreement."

We are a defendant in six purported class actions alleging antitrust violations, including Parrish, et al. v. Pacific Telesis Group, et al., filed in California Superior Court, Sacramento County, on December 17, 1998, brought on behalf of California

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consumers alleging antitrust violation and/or unfair trade practices claims. The suit includes claims of a conspiracy to "horizontally allocate" customers and a conspiracy to fix the wholesale and retail prices of cellular telephone service. Another suit, Brook, et al. v. AT&T Cellular Services, Inc., et al., filed in the U.S. District Court for the Southern District of New York on April 5, 2002 (f/k/a Wireless Consumers Alliance, et al. v. AT&T Wireless, et al.), alleges that Cellco and other wireless service providers exert anticompetitive control over wireless networks and the market for wireless phones by engaging in illegal tying and monopolization. The plaintiffs in Brook amended the complaint on January 10, 2003 and, among other things, now assert a nationwide class which overlaps with the following four cases. A petition for MDL coordination of this case and the following four cases was heard on January 28, 2003. A third suit, Millen, et al. v. AT&T Wireless PCS, LLC, et al., filed in the U.S. District Court for the District of Massachusetts on or about August 3, 2002, alleges that Cellco and other wireless service providers restrain competition, impose unlawful tying arrangements with respect to wireless phones and wireless service, and monopolize the market for wireless phones. This case has been stayed pending a ruling by the MDL panel. A fourth suit, Truong, et al. v. AT&T Wireless PCS, LLC, filed in the U.S. District Court for the Northern District of California on or about September 20, 2002, similarly alleges that Cellco and other service providers restrain competition, impose tying arrangements with regard to wireless phones and service, and monopolize the market for wireless phones. A fifth purported class action, Beeler et al. v. AT&T Cellular Services, Inc., filed in the U.S. District Court for the Northern District of Illinois on or about September 30, 2002, asserts essentially identical claims to the above handset antitrust suits, alleging that Cellco and other service providers restrain competition in the Chicago metropolitan area, impose tying arrangements, and exert monopoly power over the market for wireless phones. This case has been stayed pending a ruling by the MDL Panel. A sixth purported class action, Morales, et al. v. AT&T Wireless PCS, LLC, et al., filed in the U.S. District Court for the Southern District of Texas on or about September 27, 2002, asserts essentially identical claims to the above handset antitrust suits. This case is stayed pending a ruling by the MDL Panel. In each case, the plaintiffs seek treble damages, fees and an injunction. The cases are all in a preliminary phase. These suits fall under the indemnification provisions in the alliance agreement.

We are defending a lawsuit alleging patent infringement, Freedom Wireless, Inc. v. BCG, Inc. et al., U.S. District Court, Eastern District Court of Massachusetts, filed March 30, 2000, alleging that the defendants are infringing or contributing to the infringement of patents held by the plaintiff related to prepaid wireless service technology. The plaintiff in the above suit seeks unspecified monetary damages as well as injunctive relief. An adverse decision could materially affect our prepaid business and impair our national digital prepaid plan. Another patent infringement suit, Philip S. Jackson v. AT&T Wireless Services, Inc., et al., filed June 19, 2002 in the U.S. District Court in Illinois, alleging that the defendants are infringing a patent relating to the use or sale of automated interactive telephone systems, was recently dismissed without prejudice to repleading. Plaintiff in this case also sought unspecified monetary damages and injunctive relief. The Freedom Wireless case is, and the Jackson case was, at the time it was dismissed without prejudice, at a preliminary stage, and we are not currently able to assess the impact, if any, of these actions on our financial position or results of operations. In each of these actions, we intend to assert or already have asserted, the right to be indemnified by our vendors for any losses arising out the claims of infringement asserted against us. In addition, we believe that we have, and have asserted, insurance coverage claims for any loss arising out of the claims asserted against us. These matters are also covered, in part, by the indemnification provisions in the alliance agreement. However, the indemnification claims are unlikely to cover the full cost of defense and potential liability.

We are a defendant in lawsuits alleging personal injuries, including brain cancer, from wireless phone use, specifically: Christopher Newman, et al. v. Motorola, Inc., et al., filed August 1, 2000 pending in U.S. District Court in Maryland; Murray v. Motorola, Inc., et al., filed November 15, 2001; Agro v. Motorola, Inc., et al., filed February 26, 2002; Cochran v. Audiovox Corp., et al., filed February 26, 2002; and Schwamb v. Qualcomm Inc., et al., filed February 26, 2002, all originally filed in the U.S. District Court for the District of Columbia (subsequently transferred to the U.S. District Court in Maryland as part of MDL No. 1421 described below); Horn v. Motorola, Inc., et al., originally filed May 8, 2002 in the U.S. District Court for the Western District of Texas (subsequently transferred to MDL No. 1421); and Gibb Brower, et al. v. Motorola, Inc., et al., filed April 19, 2001, pending in the U.S. District Court in Maryland (MDL No. 1421). Plaintiffs in the above seven suits seek compensatory, consequential and/or punitive damages. In Brower, plaintiff's amended complaint includes purported class action claims and seeks, among other relief, money for research and medical monitoring. In Newman, the court granted

summary judgment for defendants, and plaintiffs have appealed to the Fourth Circuit Court of Appeals. Between April and June 2001, we and various other wireless carriers and various phone manufacturers became defendants in statewide class actions, including: Farina, et al. v. Nokia Inc., et al., Pennsylvania Court of Common Pleas, Philadelphia County, filed April 19, 2001; Gilliam, et al. v. Nokia Inc., et al., New York Supreme Court, Bronx County, filed April 23, 2001; Pinney, et al. v. Nokia Inc., et al., Maryland Circuit Court, Baltimore County filed April 19, 2001; and Gimpelson et al. v. Nokia Inc., et al., Georgia Superior Court, Fulton County, filed June 8, 2001. Plaintiffs in each of these four suits seek damages and injunctive relief requiring defendants to provide headsets to all class members. All of these class actions were removed to federal court, and subsequently coordinated by the Judicial Panel for Multi-District Litigation and transferred to the U.S. District Court in Maryland (MDL No. 1421). Plaintiffs in these suits claim that wireless phones were defective and unreasonably dangerous because the defendants failed to include a proper warning about alleged adverse health effects, failed to encourage the use of a headset, and failed to include a headset with the phone. We believe we are entitled to indemnification by handset manufacturers in connection with all of these suits and intend to pursue

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those rights. In each of these actions arising out of personal injury claims, we believe that we have, and have asserted, insurance coverage claims for any losses arising out of the claims asserted against us. These matters are also covered by the indemnification provisions in the alliance agreement. On March 5, 2003, the court dismissed plaintiffs' claims in the Farina, Gilliam, Pinney and Gimpelson cases. Plaintiffs in these cases have the right to appeal. An adverse outcome in any of these matters could have a material adverse effect on our results of operations, financial conditions and/or prospects.

We are a defendant in a number of purported consumer class actions, brought on behalf of subscribers throughout the country, alleging common law and statutory claims of misrepresentation, inadequate disclosure, unfair trade practices, violation of laws prohibiting unsolicited advertisements, or breach of contract related to our advertising, sales, billing and collection practices. These include claims relating to the practice, and alleged nondisclosure, of rounding up of partial minutes of airtime usage to full minute increments, send-to-end billing, negative options, ring time billing, billing for busy or incomplete calls, billing while roaming, first incoming minute free feature, monthly charges for bundled minutes, early disconnection charges, charges for local and toll calls, handset insurance, any inability to use handsets on another carrier's network, market transfer issues, price discrimination and other practices and charges, as well as the adequacy of our wireless coverage and the quality of service. The actions are in various stages of the litigation process. Plaintiffs in these putative class actions have not specified the alleged damages they seek. We are not currently able to assess the impact, if any, of these actions on our financial position or results of operations.

From time to time, we receive inquiries from state Attorneys General offices or other consumer-protection agencies seeking information about our advertising, consumer disclosures and/or billing practices. On March 21, 2001, we received a letter of inquiry on behalf of 22 state Attorneys General offices, requesting information concerning the advertising and marketing of various products and services offered by us, as well as information concerning various billing practices. We have provided documents and other information responsive to the request and have met with representatives of the Attorneys General. We cannot predict whether or not this inquiry will continue and, if it does, what impact, if any, it may have on our business practices or results of operations.

We are a defendant in a number of cases in various courts involving claims by agents and resellers who allege that we breached our contracts with those agents and resellers, have tortiously interfered with their contractual relationships with others, have violated antitrust laws, and have engaged in discrimination, fraud and unfair competition. We are not currently able to assess the impact, if any, of these actions on our financial position or results of operations.

We are also a defendant in other legal actions involving claims incidental to the normal conduct of our business, including actions by customers, vendors and employees. We believe that these other actions will not be material to our financial position or results of operations.

Item 4. Submission of Matters to a Vote of Security Holders

Not Applicable.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

Not Applicable.

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Item 6. Selected Financial Data

Selected Financial Data

Cellco Partnership (d/b/a Verizon Wireless)

The following selected consolidated historical financial data should be read in conjunction with, and are qualified by reference to, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes thereto included elsewhere in this filing. The statement of operations and cash flow data for the years ended December 31, 2002, 2001 and 2000 and the balance sheet data as of December 31, 2002 and 2001 are derived from the audited financial statements included elsewhere in this filing. We derived the remaining financial data from our audited or unaudited financial statements.

The financial information presented below includes results of operations for (1) Bell Atlantic Mobile and GTE Wireless for all periods retroactively restated on a consolidated basis, (2) our various significant acquisitions, including the U.S. mobile wireless and paging operations of Vodafone, PrimeCo and some Ameritech wireless operations in the Midwest from their date of acquisition and (3) our various disposed assets until the dates of disposition.

<TABLE>

(in millions, except other operating data) (unaudited)	Year Ended December 31,				
	2002	2001	2000	1999	1998
<S>	<C>	<C>	<C>	<C>	<C>
Statement of Operations Data:					
Operating Revenue:					
Service revenue	$ 17,747	$ 16,011	$ 13,000	$ 6,967	$ 6,178
Equipment and other	1,513	1,382	1,222	692	463
Total operating revenue	19,260	17,393	14,222	7,659	6,641
Operating Costs and Expenses:					
Cost of service (excluding depreciation and amortization related to network assets included below) (1)	2,788	2,651	2,398	1,578	1,040
Cost of equipment	2,669	2,434	2,023	935	678
Selling, general and administrative	7,029	6,525	5,505	2,665	2,572
Depreciation and amortization	3,293	3,709	2,897	1,105	959
Sales of assets, net	(7)	9	(859)(2)	8	(5)
Total operating costs and expenses	15,772	15,328	11,964	6,291	5,244
Operating Income	3,488	2,065	2,258	1,368	1,397
Other Income (Expenses):					
Interest expense, net	(602)	(642)	(507)	(164)	(129)
Minority interests	(127)	(60)	(136)	(76)	(92)
Equity in income of unconsolidated entities	14	6	57	(2)	(19)
Other, net	4	(3)	5	12	11
Income before provision for income taxes and cumulative effect of a change in accounting principle	2,777	1,366	1,677	1,138	1,168
Provision for income taxes	(193)	(62)	(149)	(206)	(262)
Income before cumulative effect of a change in accounting principle	2,584	1,304	1,528	932	906
Cumulative effect of a change in accounting principle	-	(4)	-	-	-
Net Income	$ 2,584	$ 1,300	$ 1,528	$ 932	$ 906
Other Operating Data:					
Subscribers (in millions) (end of period) (3)	32.5	29.4	26.8	14.2	11.0
Subscriber churn (4)	2.33%	2.52%	2.61%	2.50%	2.30%
Covered population (in millions) (end of period) (5)	228	221	214	N/A	N/A
Average revenue per user (6)	$48.35	$47.83	$47.55	$48.99	$49.86
Ratio of earnings to fixed charges (7)	3.91	2.35	3.03	5.83	7.19

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Selected Financial Data, continued

Cellco Partnership (d/b/a Verizon Wireless)

<TABLE>

(in millions, except other operating data) (unaudited)	Year Ended December 31,				
	2002	2001	2000	1999	1998
<S>	<C>	<C>	<C>	<C>	<C>
Cash Flow Data:					
Net cash provided by operating activities	$ 6,569	$ 4,481	$ 3,276	$ 2,167	$ 2,341
Net cash (used in) investing activities	(3,361)	(7,311)	(5,530)	(5,246)	(1,073)
Net cash (used in) provided by financing activities	(3,282)	2,941	2,287	3,094	(1,249)
Capital expenditures	4,354	5,006	4,908	1,537	1,258
Balance Sheet Data:					
Property, plant and equipment, net	$ 17,688	$ 15,966	$ 12,772	$ 7,273	$ 6,073
Total assets	63,186	60,150	55,495	15,627	10,800
Total debt	13,506	15,347	12,992	5,357	2,321
Minority interest in consolidated entities	1,575	365	354	418	265
Partner's capital subject to redemption	20,000	20,000	20,000	-	-
Total partners' capital	20,289	18,545	16,475	7,340	6,126

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(1) Cost of service includes: (a) roaming charges billed to Verizon Wireless for our subscribers' usage outside of the Verizon Wireless network, (b) direct telecom charges, which are costs to handle calls over our network, including landline charges, trunk lines and other costs to maintain our network and (c) all site rentals, tower rentals and network related salaries.

(2) Includes $848 million of gain-on-sale in connection with the disposition of certain southwestern U.S. properties.

(3) All subscriber information, including the number of subscribers at any date, churn and revenue per subscriber, is presented for our voice and broadband data service and excludes paging subscribers and telematics subscribers, but includes subscribers who purchase service from resellers of our service.

(4) Subscriber churn is calculated as a percentage by determining the number of subscribers who cancel service during a period divided by the sum of the average number of subscribers per month in that period. We determine the average number of subscribers on a per-month basis using the number of subscribers at the beginning and end of each month.

(5) Covered population refers to the number of people residing in areas where we have licenses that can receive a signal from our cell sites. Information is not available for periods other than the years ended December 31, 2000, 2001 and 2002.

(6) Average revenue per user is determined by dividing service revenues in each month within a period by the sum of the average number of subscribers per month in the period. Average revenue per user includes revenue from paging services and telematics, but does not include subscribers to those services.

(7) For purposes of computing the ratio of earnings to fixed charges, earnings consist of pre-tax income from continuing operations plus fixed charges and other earnings adjustments. Fixed charges consist of interest expense, including capitalized interest, and the interest component of rental expense. Included in earnings for the year ended December 31, 2000 was $848 million of gain-on-sale in connection with the disposition of certain southwestern U.S. properties. If such sale had not occurred, the ratio of earnings to fixed charges would have been 1.97.

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

We are the leading wireless communications provider in the United States in terms of the number of subscribers, network coverage, revenues and operating income. We have the largest wireless network in the United States covering 49 of the 50 most populated metropolitan areas throughout the United States. We believe our leadership position within the wireless industry will allow us to take advantage of increasing penetration and usage trends within the United States in the coming years. See "Business --Industry Overview."

Operating revenue. Our operating revenue consists of revenue from the provision of services and revenue from sales of equipment. Equipment revenue includes revenue from sales of handsets, pagers and accessories. Equipment revenue associated with the sale of handsets, pagers and accessories is recognized when the products are delivered to and accepted by the customer, as this is considered to be a separate earnings process from the sale of wireless services. Service revenue, which we record when services are provided, includes revenue from:

- monthly access charges;
- airtime usage;
- long distance charges;
- toll and data usage charges;
- charges for features such as voice mail, short messaging services and caller ID;
- gross roaming charges, or incollect fees, charged to our subscribers for usage outside our network;
- gross roaming charges, or outcollect fees, charged to other wireless service providers whose subscribers use our network; and
- paging service revenue.

In recent years, we have experienced an increase in the net number of subscribers, which has increased our revenues. We expect that we will continue to achieve increases in our total subscribers during the next several years, assuming that the overall market for wireless services continues to grow as expected. See "Business --Industry Overview." Subscriber growth continues to be an important revenue source, and we believe that the continued addition of high-quality post-paid customers will increase our revenue. Our current management focus is to grow our customer base primarily through internal growth, assuming the overall market continues to grow. In addition, we expect that we will achieve some growth from business acquisitions, although acquisitions are expected to be a less important factor.

Prior to 2001, we experienced decreasing average revenue per user due to increased industry penetration and the continued migration of high-usage analog customers to digital price plans, which have a higher monthly recurring access charge but include a larger bundle of included minutes. During this period, the increase in access fees was more than offset by the dilution of per-minute usage revenue from these high-usage customers. Although there was dilution over the short term as the subscriber base has migrated to digital service, we believe that digital subscribers have a higher average revenue per user than analog customers overall, including lower-usage digital customers from whom we benefit from the higher monthly recurring access charges. Currently, we are experiencing a slight increase in average revenue per user due to higher access price plan offerings. In addition, with digital services, we can offer more services such as Web access, which has increased average revenue per user, and we expect to continue to provide more services over time. However, service revenues have been negatively impacted by decreasing prices for incollect and outcollect fees and toll and long distance charges as a result of competition and rate renegotiations. We expect that trend to continue.

We expect continued growth from wireless data as a result of the recent introduction of new applications for business and consumer use, including access to e-mail, Get It Now applications through the use of color screen handsets, personal information management data, Internet content, and the developing services for downloadable applications. Our historical results of

operations do not include any material revenues from these wireless data services, but we expect revenues from wireless data services and applications to increase over time.

Operating Costs and Expenses. Our operating expenses consist of the following:

- Cost of service: includes roaming charges billed to Verizon Wireless for our subscribers' usage outside of the Verizon Wireless network and direct telecom charges, which are costs to handle calls over our network, including

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landline charges, trunk lines and other costs to maintain our network, as well as site rentals, tower rentals and network-related salaries;

- Cost of equipment: includes costs of handsets, pagers and accessories, and the cost of shipping, warehousing and distributing these products. We subsidize the cost of handsets sold in our direct channels to reduce the customer's up-front cost of our service and, as a result, equipment revenue is more than offset by the related cost of equipment, resulting in a net subsidy. In addition, we have actively focused on selling to new customers, and upgrading existing customers to, tri-mode handsets, which, although subsidized, result in higher service margins since they permit us to reduce roaming expenses. As we expand our direct distribution channels and continue to grow, the number of handsets that we sell will continue to increase, which will result in higher cost of equipment. We believe that, as one of the largest purchasers of handsets in the United States, we will be able to purchase handsets at attractive rates;

- Selling, general and administrative expenses: includes all operating expenses not included in the other operating expense categories, including commissions and non-network related salaries; and

- Depreciation and amortization: includes depreciation of network and other fixed assets and amortization of intangibles. Beginning January 1, 2002, we no longer amortize the value of our cellular licenses, goodwill or assembled workforce in accordance with Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets."

Critical Accounting Policies and Estimates

The following discussion and analysis is based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of our financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses, and assets and liabilities, during the periods reported. Estimates are used for, but not limited to, the accounting for: allowance for uncollectible accounts receivable, unbilled revenue, fair values of financial instruments, depreciation and amortization, useful life and impairment of assets, accrued expenses, inventory reserves, equity in income (loss) of unconsolidated entities, employee benefits, income taxes, contingencies and allocation of purchase prices in connection with business combinations. We base our estimates on historical experience, where applicable, and other assumptions that we believe are reasonable under the circumstances. Actual results may differ from those estimates.

We believe that the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements:

- We recognize service revenue based upon access to the network (access revenue) and usage of the network (airtime/usage revenue), net of credits and adjustments for service discounts. We are required to make estimates for service revenue earned but not yet billed at the end of each reporting period. These estimates are based primarily upon historical minutes of use processed. Our revenue recognition policies are in accordance with the Securities and Exchange Commission's ("SEC") Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements."

- We maintain allowances for uncollectible accounts receivable for estimated losses resulting from the inability of our customers to make required payments. We base our estimates on the aging of our accounts receivable balances and our historical write-off experience, net of recoveries.

- When recording our depreciation expense associated with our network assets, we use estimated useful lives. As a result of changes in our technology and industry conditions, we periodically evaluate the useful lives of our network assets. These evaluations could result in a change in our useful lives in future periods.

In addition, we have adopted the provisions of SFAS No. 142, as of January 1, 2002. In conjunction with this adoption, we have reassessed the useful lives of previously recognized intangible assets. Our principal intangible assets are licenses, including licenses associated with equity method investments, which

provide us with the exclusive right to utilize certain radio frequency spectrum to provide wireless communication services. While licenses are issued for only a fixed time, generally 10 years, such licenses are subject to renewal by the Federal Communications Commission ("FCC"). Renewals of licenses have occurred routinely and at nominal cost. Moreover, we have determined that there are currently no legal, regulatory, contractual, competitive, economic or other factors that limit the useful life of our wireless licenses. As a result, the wireless licenses have

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been treated as an indefinite life intangible asset under the provisions of SFAS No. 142 and have not been amortized but rather were tested for impairment. We will reevaluate the useful life determination for wireless licenses at least annually to determine whether events and circumstances continue to support an indefinite useful life.

Previous business combinations have been for the purpose of acquiring licenses and related infrastructure in the secondary market to enable us to build out our network. The primary asset acquired in such combinations has been wireless licenses. In the allocation of the purchase price of these previous acquisitions, amounts classified as goodwill have related predominantly to the expected synergies of placing the acquired licenses in our national footprint. Further, in purchase accounting, the values assigned to both wireless licenses and goodwill were principally determined based on an allocation of the excess of the purchase price over the acquired net assets. We believe that the nature of our wireless licenses and related goodwill are fundamentally indistinguishable.

In light of these considerations, on January 1, 2002 amounts previously classified as goodwill, approximately $7,958 million for the year ended December 31, 2001, were reclassified into wireless licenses. Also, assembled workforce, previously included in other intangible assets, is no longer recognized separately from wireless licenses. Amounts for fiscal year 2001 have been reclassified to conform to the presentation adopted on January 1, 2002. In conjunction with this reclassification, and in accordance with the provisions of SFAS No. 109, "Accounting for Income Taxes", we recognized a deferred tax liability of approximately $1,627 million related to the difference in the tax basis versus book basis of the wireless licenses. This reclassification, including the related impact on deferred taxes, had no impact on our results of operations. This reclassification and the methodology used to test wireless licenses for impairment under SFAS No. 142, as described in the next paragraph, have been reviewed with the staff of the SEC.

When testing the carrying value of the wireless licenses for impairment, we determined the fair value of the aggregated wireless licenses by subtracting from enterprise discounted cash flows (net of debt) the fair value of all of the other net tangible and intangible assets. If the fair value of the aggregated wireless licenses as determined above had been less than the aggregated carrying amount of the licenses, an impairment would have been recognized. Upon the adoption of SFAS No. 142 and during 2002, tests for impairment were performed with no impairment recognized. Future tests for impairment will be performed at least annually and more often if events or circumstances warrant.

On January 1, 2002, we adopted SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." This standard re-addresses financial accounting and reporting for the impairment or disposal of long-lived assets. It concludes that a single accounting model be used for long-lived assets to be disposed of by sale and broadens the presentation of discontinued operations to include more disposal transactions. The adoption of SFAS No. 144 has had no material effect on our results of operations or financial position.

Presentation of Financial Information

Our financial information includes results of operations for Bell Atlantic Mobile and GTE Wireless retroactively restated for all periods on a consolidated basis, and also includes financial information for the following entities from their date of acquisition:

- Vodafone Group Plc's ("Vodafone") U.S. wireless operations, beginning April 3, 2000;
- PrimeCo Personal Communications L.P.'s ("PrimeCo") wireless operations, which, prior to April 3, 2000, were reflected as an equity investment in the partnership's results of operations as a result of Verizon Communications Inc.'s ("Verizon Communications") 50% ownership of PrimeCo's wireless operations and, beginning on April 3, 2000, were consolidated as a result of Vodafone's contribution of the remaining 50% to the partnership;
- ALLTEL Communications ("ALLTEL") operations in Iowa and Nevada that were acquired by the partnership on April 1, 2000 in connection with the disposal by the partnership of operations in Arizona, New Mexico and Texas; and
- ALLTEL operations in Illinois, Indiana and Pennsylvania and its minority interest in several of our New Jersey and New York properties that were acquired on June 29, 2000, in connection with the disposal of GTE Wireless operations in Ohio, Florida and Alabama.

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Each of those acquisitions was accounted for under the purchase method of accounting, and the dispositions were recorded as sales.

In addition, the financial information:

- includes results of operations for various properties that have since been sold; and

- gives effect to our assumption and/or retention of $9.5 billion in debt, including $5.5 billion from Verizon Communications and $4.0 billion from Vodafone, in April and July 2000, which in the case of debt assumed from Vodafone, we intend to keep outstanding, or refinanced by debt that will remain outstanding, until at least April 2005.

As a result of these significant acquisitions and dispositions, a comparison of our results of operations between 2001 and 2000 may not be meaningful.

Results of Operations

2002 Compared to 2001

Subscribers

We ended 2002 with 32.5 million subscribers, compared to 29.4 million subscribers at the end 2001, an increase of 3.1 million net new subscribers, or 10.5%. Of these new subscribers, approximately 84% were the result of internal growth and 16%, or approximately 485 thousand, were the result of business acquisitions.

Approximately 3.5 million net retail customers were added through internal growth during 2002, partially offset by a net reduction of wholesale customers of approximately 937 thousand, primarily related to the loss of WorldCom Inc. resale customers. We no longer have any WorldCom resale subscribers in our customer base. Also, fourth quarter net additions were reduced by 85 thousand to account for unusually low disconnect activity in the reseller channel that we believe was a result of delayed reseller reporting of disconnects.

In August 2002, we added approximately 411 thousand subscribers as a result of the acquisition of Price Communications Wireless, Inc.'s ("Price") operations in Alabama, Florida, Georgia and South Carolina. The remainder of the subscribers added through acquisitions were primarily the result of the acquisition of certain Dobson Communications Corporation wireless operations in the first quarter of 2002.

The overall composition of our customer base as of December 31, 2002 was 91% retail postpaid, 6% retail prepaid and 3% resellers. Approximately 28.6 million, or 88% of our subscribers as of December 31, 2002, subscribed to CDMA digital service, compared to 75% as of December 31, 2001.

Total churn, including retail and wholesale, decreased to 2.33% for the year ended December 31, 2002, compared to 2.52% for the year ended December 31, 2001. We believe churn was reduced due to our network quality and the success of our retention programs.

Operating revenue

Total operating revenue for the year ended December 31, 2002 was $19,260 million, an increase of $1,867 million, or 10.7%, compared to the year ended December 31, 2001.

Service revenue. Service revenue for the year ended December 31, 2002 was $17,747 million, an increase of $1,736 million, or 10.8%, compared to the year ended December 31, 2001. This increase was primarily due to the 10.5% increase in subscribers, as well as an increase in average service revenue per user for the year ended December 31, 2002 compared to the similar period in 2001.

Average service revenue per user increased 1.1% to $48.35 for the year ended December 31, 2002 compared to the similar period in 2001, primarily due to higher access price plan offerings. In addition, retail customers, who generally produce higher service revenue than wholesale customers, comprised approximately 97% of the subscriber base at the end of 2002, compared to

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93% at the end of 2001. These increases were partially offset by decreased roaming revenue as a result of rate reductions with third-party carriers and decreased long distance revenue due to bundled pricing.

Equipment and other revenue. Equipment and other revenue for the year ended December 31, 2002 was $1,513 million, an increase of $131 million, or 9.5%, compared to the year ended December 31, 2001. The increase was attributed to an increase in gross retail subscriber additions and higher customer equipment upgrades in the year ended December 31, 2002 compared to the similar period in 2001.

Operating costs and expenses

Cost of service. Cost of service for the year ended December 31, 2002 was $2,788 million, an increase of $137 million, or 5.2%, compared to the year ended December 31, 2001. The increase was primarily due to increased direct telecom charges caused by increased minutes of use of approximately 46% for the year ended December 31, 2002 compared to the similar period in 2001, substantially offset by lower roaming, local interconnection and long distance rates. Service margins increased by 0.9% to 84.3% for the year ended December 31, 2002, compared to the similar period in 2001.

Cost of equipment. Cost of equipment for the year ended December 31, 2002 was $2,669 million, an increase of $235 million, or 9.7%, compared to the year ended December 31, 2001. The increase was primarily due to an increase in handsets sold, due to growth in gross retail activations and an increase in equipment upgrades. The increase in equipment upgrades as well as the introduction of color screen handsets in the second half of 2002 caused our negative equipment margin, or subsidy, to increase by 0.3% to a 76.5% negative margin for the year ended December 31, 2002.

Selling, general and administrative expenses. Selling, general and administrative expenses for the year ended December 31, 2002 were $7,029 million, an increase of $504 million, or 7.7%, compared to the year ended December 31, 2001. This increase was primarily due to a $242 million aggregate increase in sales commissions in our direct and indirect channels, for the year ended December 31, 2002 compared to the similar period in 2001, primarily related to an increase in retail gross subscriber additions and contract renewals. Also contributing to the increase was a $185 million increase in salary and wage expense, which included a one-time severance charge of approximately $31 million from the first quarter of 2002. In addition, we incurred approximately $152 million in merger integration costs for the year ended December 31, 2002 primarily related to billing systems conversions. To the extent gross subscriber additions continue to increase, we expect to continue to incur increased advertising and customer acquisition related expenses.

Depreciation and amortization. Depreciation and amortization for the year ended December 31, 2002 was $3,293 million, a decrease of $416 million, or 11.2%, compared to the year ended December 31, 2001. The decrease was primarily attributable to a reduction of amortization expense of approximately $1.1 billion from the adoption of SFAS No. 142, effective January 1, 2002, which requires that our indefinite-lived intangible assets no longer be amortized. This decrease was partially offset by increased depreciation expense related to the increase in depreciable assets during 2002. Depreciation expense will increase over time as we continue to build-out and upgrade our network.

Other Income (Expenses)

Interest expense, net. Interest expense, net for the year ended December 31, 2002 was $602 million, a decrease of $40 million, or 6.2%, compared to the year ended December 31, 2001. The decrease was primarily due to a reduction in the average borrowing rates from Verizon Communications (from approximately 5.39% in 2001 to 5.06% in 2002). In addition, total debt levels were lower at December 31, 2002 compared to 2001, due primarily to the return by the FCC of the $1.7 billion deposit on the disputed licenses for which we were high bidder in the FCC re-auction, which we used to reduce borrowings from Verizon Communications.

Minority interests. Minority interests for the year ended December 31, 2002 was $127 million, an increase of $67 million, or 111.7%, compared to the year ended December 31, 2001. The increase was mainly attributable to an increase in minority partners' income for the year ended December 31, 2002 compared to the similar period in 2001 that resulted from an increase in the income from subsidiary partnerships. We expect minority interest to increase in future periods due to Price's preferred interest in Verizon Wireless of the East LP, which is accounted for as a minority interest.

Provision for income taxes. The partnership is not subject to federal or state tax on income generated from markets it owns directly or through partnership entities. However, the partnership does own some of its markets through corporate entities, which are required to provide for both federal and state tax on their income. The tax provision was $193 million for the year ended December 31, 2002, an increase of $131 million, or 211.3%, compared to the year ended December 31, 2001. The effective tax rate was 6.9% for the year ended December 31, 2002, compared to 4.5% for the year ended December 31, 2001.

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The increase in the effective tax rate for 2002 was mainly attributable to an increase in the proportion of income earned through corporate entities compared to markets that we own directly or through partnership entities for 2002, primarily as a result of the 2002 adoption of SFAS No. 142 which eliminated a significant amount of amortization expense on those corporate entities. Also contributing to the increase was a one-time tax benefit recorded in 2001 of an allocation of interest expense to taxable entities related to the last nine months of 2000.

2001 Compared to 2000

In 2000, we made several acquisitions and dispositions as described under "Presentation of Financial Information" above. Set out below is a discussion of our results in 2001 and 2000 on a historical basis and on a basis that excludes the effect of these acquisitions and dispositions (in order to make the comparisons more meaningful).

The following table presents our historical results for 2001, the effect of excluding results from the acquired and disposed of entities, and our results for 2001, adjusted for such exclusion. In the discussion below, the percentage changes used that are excluding the effects of these acquisitions and dispositions are derived by comparing the 2001 as adjusted results described below and our 2000 historical results.

<TABLE>

(in millions)	Historical				Excluding acquisitions & dispositions		
For the years ended December 31,	2001	2000	Change	%	2001 results related to 2000 acquisitions & dispositions	2001 results excluding acquisitions & dispositions	% change from 2000
					(unaudited)		
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Service revenue	$ 16,011	$ 13,000	$ 3,011	23.2%	$ 1,598	$ 14,413	10.9%
Equipment and other revenue	$ 1,382	$ 1,222	$ 160	13.1%	$ 129	$ 1,253	2.5%
Cost of service	$ 2,651	$ 2,398	$ 253	10.6%	$ 236	$ 2,415	0.7%
Cost of equipment	$ 2,434	$ 2,023	$ 411	20.3%	$ 266	$ 2,168	7.2%
Selling, general and administrative	$ 6,525	$ 5,505	$ 1,020	18.5%	$ 780	$ 5,745	4.4%
Depreciation and amortization	$ 3,709	$ 2,897	$ 812	28.0%	$ 599	$ 3,110	7.4%

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Subscribers

As of December 31, 2001, we had approximately 29.4 million controlled subscribers, an increase of 9.7% compared to December 31, 2000. The increase was the result of the addition of 2.6 million net new subscribers, substantially all of which were the result of internal growth.

Operating revenue

Total operating revenue for the year ended December 31, 2001 was $17,393 million, an increase of $3,171 million, or 22.3%, compared to the year ended December 31, 2000.

Service revenues. Service revenues for the year ended December 31, 2001 were $16,011 million, an increase of $3,011 million, or 23.2%, compared to the year ended December 31, 2000. Excluding the acquisitions and dispositions described above, service revenues for the year ended December 31, 2001 increased 10.9% compared to the year ended December 31, 2000. These increases were primarily attributed to an increase in the number of average subscribers.

Average service revenue per user for the year ended December 31, 2001 was $47.83, an increase of $0.28, or 0.6%, compared to the year ended December 31, 2000. Excluding the acquisitions and dispositions described above, average service revenue per user for the year ended December 31, 2001 was $47.49, a decrease of $0.06, or 0.1%, compared to the year ended December 31, 2000. This slight decrease was due primarily to a decrease in roaming revenue as a result of rate reductions with third-party carriers and large decreases in roaming minutes in the fourth quarter of 2001 due to the events of September 11, 2001 and the apparent decrease in travel.

Equipment and other revenue. Equipment and other revenue for the year ended December 31, 2001 was $1,382 million, an increase of $160 million, or 13.1%, compared to the year ended December 31, 2000. Excluding the acquisitions and dispositions described above, equipment revenues increased 2.5% for the

year ended December 31, 2001 compared to the year ended December 31, 2000. This increase was primarily due to increased gross subscriber additions.

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Operating costs and expenses

Cost of service. Cost of service for the year ended December 31, 2001 was $2,651 million, an increase of $253 million, or 10.6%, compared to the year ended December 31, 2000. Service margins increased 2.1% to 86.4% due to the increased service revenues. Excluding the acquisitions and dispositions described above, cost of service increased 0.7% for the year ended December 31, 2001 compared to the year ended December 31, 2000. The increase was due primarily to increased network operations expense offset by reduced intercarrier roaming rates related to the aggressive migration of our high-usage analog customers to tri-mode handsets pre-programmed to select either our network or a preferred roaming partner's network, regardless of whether our network in that area is analog, digital cellular or PCS.

Direct telecom charges increased due to a significant increase in minutes of usage for the year ended December 31, 2001 as compared to the year ended December 31, 2000. The increase was partially offset by a decrease in the rates charged by the local exchange carriers.

Cost of equipment. Cost of equipment for the year ended December 31, 2001 was $2,434 million, an increase of $411 million, or 20.3%, compared to the year ended December 31, 2000. Our negative margin, or subsidy, on equipment sales increased by 10.6% to 76.1% due to increased sales of digital handsets, which have a higher subsidy. Excluding the acquisitions and dispositions described above, cost of equipment increased 7.2% for the year ended December 31, 2001 compared to the year ended December 31, 2000. The increase was primarily due to an increase in gross subscriber additions as well as migrations from analog handsets to digital for the year ended December 31, 2001 compared to the year ended December 31, 2000.

Selling, general and administrative expenses. Selling, general and administrative expenses for the year ended December 31, 2001 were $6,525 million, an increase of $1,020 million, or 18.5%, compared to the year ended December 31, 2000. Excluding the acquisitions and dispositions described above, selling, general and administrative expenses increased 4.4% for the year ended December 31, 2001 compared to the year ended December 31, 2000. The increase was due primarily to increased selling expenses related to the increase in gross subscriber additions and an increase in salary and related expenses.

Depreciation and amortization. Depreciation and amortization for the year ended December 31, 2001 was $3,709 million, an increase of $812 million, or 28.0%, compared to the year ended December 31, 2000. Excluding the acquisitions and dispositions described above, depreciation and amortization increased 7.4% for the year ended December 31, 2001 compared to the year ended December 31, 2000. This increase was due to our continued investment in our digital network offset by the analog network equipment that became fully depreciated in 2001. We expect this trend to continue.

Sales of assets, net. Sales of assets, net for the year ended December 31, 2000 included the one-time gain of approximately $848 million in conjunction with the disposal of some Southwestern markets in connection with the formation of Verizon Wireless.

Other Income (Expenses)

Interest expense, net. Interest expense, net, for the year ended December 31, 2001 was $642 million, an increase of $135 million, or 26.6%, compared to the year ended December 31, 2000. The increase was due to higher average debt outstanding related to borrowings from Verizon Communications to fund capital expenditures and various acquisitions and the assumption of debt from Vodafone of approximately $4 billion.

Provision for income taxes. As a general matter, the partnership is not subject to federal or state tax on income generated from markets it owns through partnership entities. However, the partnership owns some of its markets through corporate entities, which are required to provide both federal and state tax on their income. The tax provision for the year ended December 31, 2001 was $62 million, a decrease of $87 million, or 58.4%, compared to the year ended December 31, 2000. The effective tax rates were 4.5% and 8.9% for the year ended December 31, 2001 and for the year ended December 31, 2000, respectively, compared to a federal statutory rate of 35.0%. The decrease in the effective tax rate for the year ended December 31, 2001 compared to the year ended December 31, 2000 directly relates to (1) the change in tax status of several GTE Wireless entities from taxable to non-taxable immediately prior to the merger of Bell Atlantic and GTE, which was accounted for as a pooling of interests, and (2) the tax benefit of an allocation of interest expense related to the last nine months of 2000 from the partnership to taxable entities.

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Liquidity and Capital Resources

We have substantial cash needs, as described in more detail below. Historically, we have funded our operations and other cash needs utilizing internally generated funds, intercompany and external borrowings and capital contributions. We expect to rely on a combination of internally generated, intercompany and external funds to fund continued capital expenditures, acquisitions, distributions and debt service needs. Sources of future intercompany and external financing requirements may include a combination of debt financing provided through intercompany debt facilities with Verizon Communications, borrowings from banks or debt issued in private placements or in the public markets. We believe that internally generated funds will be sufficient to fund capital expenditures, distributions and interest payments on our debt in the next several years. Internally generated funds would not be sufficient to repay principal on our debt, including demand notes owed to Verizon Communications (if we were required to repay that debt in the next several years) and other short-term debt, including the $1.5 billion of Floating Rate Notes due December 15, 2003, and would not be sufficient to honor any exercise of Vodafone's put rights. We expect to refinance our outstanding debt when due with new debt financings, including debt financing provided either through intercompany borrowings, private placements, bank borrowings or public financing, and would seek other financing to honor any exercise of the put rights. While we believe we could obtain financing, Verizon Communications has no commitment to provide any financing to us, and we have no commitments from third parties. In addition to the potential cash needs described above, we may need to secure additional financing for acquisitions of additional spectrum licenses and wireless providers. The failure to obtain financing on commercially reasonable terms or at all could result in the delay or abandonment of our development and expansion plans or our inability to continue to provide service in all or portions of some of our markets, which could harm our ability to attract and retain subscribers.

Contractual Obligations and Commercial Commitments

The following table provides a summary of our contractual obligations and commercial commitments as of December 31, 2002. Additional detail about these items is included in the notes to the audited financial statements.

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	Payments Due by Year (in millions)				
Contractual Obligations	Total	2003	2004-2005	2006 -2007	Thereafter
<S>	<C>	<C>	<C>	<C>	<C>
Short-term debt (a)	$ 8,570	$ 8,570	$ -	$ -	$ -
Long-term debt (b)	6,879	299	601	3,281	2,698
Capital lease obligations	145	49	77	2	17
Operating leases	2,694	528	898	576	692
Other long-term obligations (c)	1,878	1,852	26	-	-
Total contractual cash obligations	$ 20,166	$ 11,298	$ 1,602	$ 3,859	$ 3,407

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(a) Short-term debt obligations include demand notes due to Verizon Communications.
(b) Long-term debt obligations include term notes due to Verizon Communications.
(c) Other long-term obligations primarily includes purchase obligations under a Lucent Technologies Inc. contract.

Debt payments in the table include principal and interest. A significant portion of our debt described above bears interest at a variable rate and we therefore have estimated, based on current interest rates, the amount of interest we are committed to pay in the future. We have described the method of calculating interest on our material debt below under "Debt Service." Actual interest payments could differ materially due to changes in interest rates. In addition, you should note that we expect that our capital expenditure budget will be significantly higher than the amounts listed above under "Other long-term obligations ". Our capital expenditure estimates are described below under "Capital Expenditures."

Capital Expenditures

Our capital expenditures, including capital expenditures for the build-out and upgrade of our network, including build-out related to the spectrum licenses described above, but excluding acquisitions of other wireless service

providers, totaled approximately $4.4 billion in 2002. We expect 2003 capital expenditures to be approximately $4.4 to $4.7 billion. We expect to incur substantial capital expenditures after 2003 as well. We have committed to purchase $5 billion of equipment from Lucent Technologies Inc. ("Lucent") before January 2004 with $1.8 billion remaining to be purchased as of December 31, 2002. The $4.4 billion of capital spent for 2002 includes purchases under the Lucent contract. In addition to these amounts, we will also require substantial additional capital for, among other uses, acquisitions of spectrum licenses and wireless service providers, additional system development and network capacity expansion if wireless data services grow at a faster rate than we anticipate.

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Unforeseen delays, cost overruns, unanticipated expenses, regulatory changes, engineering design changes, weather-related delays, technological changes and other risks may also require additional funds.

Distributions

We are obligated under our partnership agreement to make certain distributions to our owners related to taxes and additional distributions equal to 70% of our pre-tax net income from continuing operations plus amortization expense related to the amortization of intangible assets arising out of transactions contemplated by the alliance agreement, less the amount of tax distributions, assuming, in the case of non-tax distributions, we are in compliance with certain financial covenants including a 2.5 to 1 leverage ratio and 5 to 1 interest coverage ratio, unless our officers approve less restrictive ratios. In addition, our owners can change our distribution policy at any time or cause us to pay additional distributions. See "Certain Relationships and Related Party Transactions--Partnership Agreement--Distributions." In February 2001, we made a $691 million distribution to our partners. We did not make subsequent scheduled distributions in August 2001 and February 2002 to our partners because the payments were limited by the 2.5 to 1 leverage ratio stipulated in the partnership agreement. While we satisfied the interest coverage ratio for the year ended December 31, 2001, our leverage ratio was 2.61 to 1 as of December 31, 2001. This exceeded the limits set forth in the partnership agreement. Because we satisfied both ratios on June 30, 2002 and December 31, 2002, we made the scheduled distribution to our partners in August 2002 and February 2003 of approximately $862 million and approximately $1,225 million, respectively. Approximately $112 million of the distribution in February 2003 represented a supplemental distribution.

Vodafone Put Rights

Vodafone can exercise a right to require us to acquire up to $20 billion worth of its partnership interest, at its then fair market value, with up to $10 billion redeemable during July 2003 and/or July 2004 and the remainder, not to exceed $10 billion in any one year, during July 2005, July 2006 and/or July 2007. Verizon Communications has the right to purchase a portion of this interest instead of us, but it may exercise the right at its sole discretion. We will need to obtain financing if we are required to repurchase those interests. See "Certain Relationships and Related Party Transactions--Investment Agreement." We have no commitment for such financing.

Debt Service

As of December 31, 2002, we had approximately $13.5 billion of indebtedness and capitalized leases, including $8.2 billion of short-term debt. Future interest payments may vary from our historical results due to changes in outstanding debt levels, the partnership's or Verizon Communications' credit ratings and changes in market conditions. See "--Qualitative and Quantitative Disclosures about Market Risks."

Our principal debt obligations consist of the $1.5 billion floating rate notes and $2.5 billion fixed rate notes and approximately $9.4 billion of debt borrowed from Verizon Communications and its affiliates.

The floating rate notes bear interest at a rate equal to the London Interbank Offered Rate, or LIBOR, plus 0.4% and mature on December 17, 2003. The fixed rate notes bear interest at 5.375% and mature on December 15, 2006.

Borrowings from Verizon Communications include demand loans and term notes. The maximum amount of demand loans outstanding during the last 12 months was approximately $8.8 billion. Demand loan balances fluctuate based upon our working capital and other funding requirements. At December 31, 2002, demand loan borrowings totaled $6.6 billion. Interest on the demand loans is generally based on a blended interest rate calculated by Verizon Communications using fixed rates and variable rates applicable to borrowings by Verizon Communications to fund the partnership and other entities affiliated with Verizon Communications. Interest rates on such borrowings, with comparable maturity dates, may be lower than rates on borrowings the partnership may enter into with unrelated third parties primarily due to Verizon Communications' stronger credit rating. As of December 31, 2002, the interest rate on demand loans was 5.5%.

Term borrowings from Verizon Communications amounted to $2.8 billion at December 31, 2002, which includes a $2.4 billion term note due in 2009 that requires quarterly prepayments to the extent that the markets that GTE purchased from Ameritech generate excess cash flow, as defined in the term note. To date, no quarterly prepayment requirement has been triggered. This

term note contains limited, customary covenants and events of default. The interest on the note is generally based on the same blended rate as for the demand loans. Term borrowings also include a $350 million term note obtained from Verizon Communications that bears a fixed interest rate of approximately 8.9% per year. This term note was established in connection with the acquisition of Price's wireless assets on August 15, 2002 in order to effect a covenant defeasance of Price's 11 3/4% Senior Subordinated Notes due 2007 and 9 1/8% Senior Secured Notes due 2006. The term note is guaranteed by Price. It matures the earlier of February 15, 2007 or six months following the occurrence of certain specified events.

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We may incur significant additional indebtedness in the next several years to help fund our cash needs.

Cash Flows Provided By Operating Activities

Our primary source of funds continues to be cash generated from operations. The $2.1 billion increase in net cash provided by operating activities for the year ended December 31, 2002 compared to the similar period of 2001 was primarily due to an increase in operating income excluding depreciation and amortization resulting from revenue growth and improvements in working capital. The improvements in working capital were primarily driven by decreases in accounts receivable, net and inventories, net.

Cash Flows Used In Investing Activities

Capital expenditures continue to be our primary use of cash. Our capital expenditures were $4.4 billion for the year ended December 31, 2002, compared to $5.0 billion for the year ended December 31, 2001 and were used primarily to increase the capacity of our wireless network for usage demand, expand our network footprint, to facilitate the introduction of new products and services, enhance responsiveness to competitive challenges and increase the operating efficiency of our wireless network. We expect total capital expenditures in 2003 to be approximately $4.4 to $4.7 billion and to have substantial capital requirements thereafter.

We invested $774 million in cash acquisitions for the year ended December 31, 2002, including $552 million to acquire some of the wireless properties of Dobson Communications Corporation and $222 million for other wireless properties. For the year ended December 31, 2001, we invested $626 million in acquisitions, which included $410 million for additional wireless spectrum purchased from another telecommunications carrier.

Net investing activities also includes a $1,740 million refund ($1,479 million in April 2002 and $261 million in December 2002) from the FCC in connection with our wireless auction deposit. In the year ended December 31, 2001, investing activities included the $1,625 million deposit related to the disputed NextWave licenses from the FCC auction.

Cash Flows Provided By (Used In) Financing Activities

Net payments of $2,369 million were used to reduce our total debt during the year ended December 31, 2002. We repaid $1,349 million of intercompany debt and $436 million of short-term obligations, and used $584 million to redeem the net debt assumed from Price. We redeemed the entire $550 million net debt assumed from Price ($700 million debt less $150 million cash contributed by Price) with the cash contributed by us and debt borrowed by one of our subsidiaries from a wholly-owned subsidiary of Verizon Communications. The cost of the redemption above the face amount of the debt was approximately $34 million. The $350 million term note obtained for the purpose of funding the covenant defeasance bears interest at a fixed rate of approximately 8.9% per year. The term note is guaranteed by Price. It will not obligate us to repay the loan at any time prior to four and one-half years after the closing of the Price acquisition (February 15, 2007) or six months following the occurrence of certain specified events.

We received a refund in December 2002 from the FCC of the remaining $261 million we had deposited as a down payment on the disputed licenses for which we were high bidder in the FCC re-auction. We used the refund to pay down intercompany debt.

On May 31, 2002, Moody's Investor's Service ("Moody's") placed our long-term debt ratings, and the long-term debt ratings of Verizon Communications, on review for possible downgrade due to concerns with Verizon Communications' debt levels and competitive issues. On December 18, 2002, Moody's lowered our long term debt rating to A3 from A2 and lowered Verizon Communications' long-term debt rating to A2 from A1, and changed its outlook for us and Verizon Communications to stable from negative. Standard & Poor's and Fitch IBCA continue to maintain a higher debt rating for us and Verizon Communications. In February 2003, Standard & Poor's upgraded its outlook for us and Verizon Communications to stable from negative. Any reduction in the ratings assigned to us or Verizon Communications could increase our cost of capital and interest expense and/or make financing less readily available to us.

Our debt to equity ratio (including partner's capital subject to redemption) was 34% at December 31, 2002, compared to 40% at December 31, 2001.

We made distributions to our partners of $862 million in the year ended

December 31, 2002, compared to $691 million in the year ended December 31, 2001. We are required to distribute 70% of our adjusted pre-tax income to our partners, subject to financial covenants.

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In addition, under the terms of an investment agreement entered into among Verizon Communications, Vodafone and us on April 3, 2000, Vodafone may require us to purchase up to an aggregate of $20 billion of Vodafone's interest in the Partnership, at its then fair market value, with up to $10 billion redeemable during July 2003 and/or 2004 and the remainder, not to exceed $10 billion in any one year, during July 2005, 2006 and/or 2007. Verizon Communications has the right, exercisable at its sole discretion, to purchase all or a portion of this interest instead of us. However, even if Verizon Communications exercises this right, Vodafone has the option to require us to purchase up to $7.5 billion of this interest redeemable in July 2005, 2006 and/or 2007 with cash or contributed debt. Accordingly, $20 billion of partners' capital has been classified as redeemable on the accompanying condensed consolidated balance sheets.

Financial Condition

Total assets at December 31, 2002 were $63.2 billion, an increase of $3.0 billion, or 5.0%, compared to December 31, 2001. The increase was due to a $2.3 billion increase in wireless licenses, primarily as a result of the Price acquisition and an increase in property, plant and equipment as a result of our network build-out program.

Total liabilities at December 31, 2002 were $21.3 billion, an increase of $82 million, or 0.4%, compared to December 31, 2001. The increase was primarily due to a $1.6 billion deferred tax liability resulting from the adoption of SFAS No.142, "Goodwill and Other Intangible Assets." Under SFAS No.142, wireless licenses are now classified as an indefinite life intangible asset and no longer amortized. Furthermore, amounts previously classified as goodwill were reclassified into cellular licenses as of January 1, 2001. In conjunction with this reclassification, and in accordance with the provisions of SFAS No.109, "Accounting for Income Taxes", we recognized a deferred tax liability of approximately $1.6 billion related to the difference in the tax basis versus book basis of wireless licenses. The increase was partially offset by a reduction in borrowings during 2002, due primarily to the return by the FCC of our original deposit on the disputed 2001 FCC auction licenses. The proceeds from the returned deposit were used to decrease borrowings from Verizon Global Funding, Verizon Communications' wholly owned financing affiliate.

Total partners' capital (including partner's capital subject to redemption) was $40.3 billion at December 31, 2002, an increase of $1.7 billion, or 4.5%, compared to December 31, 2001. The increase was primarily due to net income for the year ended December 31, 2002, offset by distributions to our partners of $862 million.

Recent Developments

On December 19, 2002, we signed an agreement with Northcoast Communications, L.L.C., to purchase 50 PCS licenses and related network assets, for approximately $750 million in cash. Network investment for additional capacity has been factored into our near-term capital program and we expect to fund the purchase utilizing our existing intercompany loan facility with Verizon Communications. The licenses cover large portions of the East Coast and Midwest, including such major markets as New York, Boston, Minneapolis, MN, Columbus, OH, Providence, RI, Rochester, NY and Hartford, CT. Total population served by the licenses is approximately 47.2 million and includes 10 MHz in each of the 50 U.S. licensed areas, in the D, E, and F blocks of the 1900 MHz frequency band. The transaction is expected to close during the second quarter of 2003.

On January 29, 2003, Verizon Wireless Inc. withdrew its registration statement for an initial public offering of equity securities, filed with the SEC. See "Certain Relationships and Related Transactions - Investment Agreement - Initial Public Offering."

Factors That May Affect Future Results

In addition to the information set forth above, the following factors, as well as the factors listed under "Cautionary Statement Concerning Forward-Looking Statements" may adversely affect our future results.

Legislation and Regulation

The licensing, construction, operation, sale, and interconnection arrangements of wireless communications systems are regulated to varying degrees by the FCC and, depending on the jurisdiction, state and local regulatory agencies. In addition, the FCC, together with the Federal Aviation Administration, regulates tower marking and lighting, and other government

agencies periodically consider various mandates on the wireless industry. We are also subject to various environmental protection and health and safety laws and regulations, including limits on radio frequency radiation from mobile handsets and towers. Additionally, our business is increasingly subject to efforts to adopt state consumer protection regulation and legislation. Any of

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these agencies having jurisdiction over our business could adopt regulations or take other actions that could increase our costs, place restrictions on our operations and growth potential or otherwise adversely affect our business.

The FCC and an increasing number of state authorities are requiring the wireless industry to comply with, and in some cases to fund, various initiatives, including federal and state universal service programs, telephone number administration, local number portability, services to the hearing-impaired and emergency 911 networks. In addition, many states have imposed significant taxes on providers in the wireless industry and some have adopted or are considering adoption of regulatory requirements on customer billing and other matters. These initiatives are imposing increasing costs on us and other wireless carriers and may otherwise adversely affect our business. For example, the FCC has mandated that wireless providers supply the geographic coordinates of a subscriber's location, either by means of network-based or handset-based technologies, to public safety dispatch agencies. This rule will impose significant costs on us and could lead us to increase subsidies on handsets to offset the increased costs of handset-based technologies. In addition, local number portability rules may cause us to incur higher costs relating to subscriber churn, acquisition or retention, as well as increased operating expenses. See "Business--Regulatory Environment" for a more detailed description of the regulatory environment affecting us.

Legislation has been proposed in the U.S. Congress and many state and local legislative bodies to restrict or prohibit the use of wireless phones while driving motor vehicles. Similar laws have been enacted in other countries and, to date, the State of New York and a small number of localities in the U.S. have passed restrictive laws.

Litigation

In recent years, there has been a substantial amount of litigation in the wireless industry, including patent lawsuits, personal injury lawsuits relating to alleged health effects of wireless phones, antitrust class actions, and class action lawsuits that challenge marketing practices and disclosures, including practices and disclosures relating to alleged adverse health effects of handheld wireless phones. These lawsuits seek substantial damages. The risk of litigation may be higher for companies like us that offer services nationally due to our increased prominence in the industry. We may incur significant expenses in defending these lawsuits. In addition, we may be required to pay significant awards or settlements. For a discussion of significant litigation matters involving our company, see "Business--Legal Proceedings."

Health Concerns

Some studies have suggested that radio frequency emissions from wireless handsets and cell sites may be associated with various health problems, including cancer, and may interfere with electronic medical devices, including hearing aids and pacemakers. In addition, lawsuits have been filed against us and other participants in the wireless industry alleging various adverse health consequences as a result of wireless phone usage. The U.S. Food & Drug Administration ("FDA") and the FCC have stated that the available scientific evidence does not show that any health problems are associated with using wireless phones, but that there is no proof that wireless phones are absolutely safe. In May 2001, the U.S. General Accounting Office issued a report, entitled Research and Regulatory Efforts on Mobile Phone Issues, observing that the consensus of various major health agencies is that the research to date does not show radio frequency energy emitted from mobile phones to have adverse health effects but there is not yet enough information to conclude that they pose no risk. The report offers recommendations to improve the FCC's review of mobile phone testing, as well as the FCC's and FDA's consumer information on health issues relating to mobile phones. Additional studies of radio frequency emissions are ongoing. If consumers' health concerns increase, they may be discouraged from using wireless handsets, and regulators may impose restrictions on the location and operation of cell sites. These concerns could have an adverse effect on the wireless communications industry and expose wireless providers to further litigation, which, even if not successful, can be costly to defend. Government authorities may increase regulation of wireless handsets and cell sites as a result of these health concerns and wireless companies may be held liable for costs or damages associated with these concerns. The actual or perceived risk of radio frequency emissions could also adversely affect us through a reduced subscriber growth rate, a reduction in subscribers, reduced network usage per subscriber or reduced financing available to the wireless communications industry.

Competition in a Rapidly Changing Industry

The wireless industry is highly competitive and rapidly changing and characterized by substantial competition, which has led to reduced pricing and the need to develop and introduce new services in order to retain and attract subscribers. Competition is expected to continue, which may lead to further pressure on pricing and increases in subscriber churn and retention costs. See "Business-Competition."

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Our Relationship with our Owners

Cellco Partnership is a joint venture controlled by Verizon Communications, although many important decisions, including decisions relating to equity issuances and significant acquisitions, require the approval of representatives of Verizon Communications and Vodafone. Conflicts of interest may arise between us and our owners when we are faced with decisions that could have different implications for us and our owners, including potential acquisitions of businesses, potential competition, the issuance or disposition of securities, the payment of distributions by the partnership, labor relations policies, tax, regulatory and legal matters. In certain circumstances, our owners will be permitted to compete with us, which would increase the conflicts of interest. Because of these conflicts, our owners may make decisions that are adverse to us. Moreover, it is possible that the representatives will not reach agreement regarding matters that are very important to us and could be deadlocked. If deadlocks cannot be resolved, we will not be permitted to take the specified action, which could, among other things, result in us losing business opportunities and harm to our competitive position.

We have agreed with our owners that we may not, without their consent, enter into any business other than the U.S. mobile wireless business. These restrictions will limit our ability to grow our business through initiatives such as expansion into international markets and acquisitions of wireless providers that are also engaged in other businesses outside our permitted activities. Many wireless providers that could otherwise be potential acquisition targets are affiliated with companies that also engage in other domestic businesses, such as wireline or long-distance services, or in international wireless businesses. These restrictions may also preclude us from pursuing other attractive related or unrelated business opportunities.

Recent Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 143, "Accounting for Asset Retirement Obligations." This standard requires entities to recognize the fair value of any legal obligation associated with the retirement of long-lived assets and to capitalize that amount as a part of the book value of the long-lived asset. That cost is then depreciated over the remaining life of the underlying long-lived asset. We will adopt the standard effective January 1, 2003. We do not expect the impact of the adoption of SFAS No. 143 to have a material effect on our results of operations or financial position.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities". This standard nullifies Emerging Issue Task Force ("EITF") Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." This standard requires the recognition of a liability for a cost associated with an exit or disposal activity at the time the liability is incurred, rather than at the commitment date to exit a plan as required by EITF 94-3. We will adopt this standard effective January 1, 2003. We do not expect the impact of the adoption of SFAS No. 146 to have a material effect on our results of operations or financial position.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure," an amendment of FASB Statement No. 123, "Accounting for Stock-Based Compensation." This standard provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based compensation. In addition, this standard amends the disclosure requirements of SFAS No. 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. Effective January 1, 2003, we will adopt the fair value recognition provisions of SFAS No. 123, prospectively (as permitted under SFAS No. 148) to all new stock-based employee compensation granted, modified or settled after January 1, 2003. As we currently account for our Value Appreciation Rights under a fair value approach, we do not expect the impact of the adoption of the fair value recognition provisions of SFAS No. 123 to have a material effect on our results of operations or financial position.

Cautionary Statement Concerning Forward-Looking Statements

In this Management's Discussion and Analysis, and elsewhere in this annual report and in our other public filings and statements (including oral communications), we have made forward-looking statements. These statements are based on our estimates and assumptions and are subject to risks and uncertainties. Forward-looking statements include the information concerning our possible or assumed future results of operations, capital expenditures,

anticipated cost savings and financing plans. Forward-looking statements also include those preceded or followed by the words "may", "will", "expect", "intend", "plan", "anticipates," "believes," "estimates", "hopes" or similar expressions. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Our actual future performance could differ materially from these forward-looking statements, as these statements involve a number of risks and uncertainties. Therefore, undue reliance should not be placed on these statements. The following important

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factors could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements:

- the duration and extent of the current economic downturn;
- materially adverse changes in economic conditions in the markets served by us;
- an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations;
- the effects of the substantial competition that exists in our markets, which has been intensifying;
- our ability to obtain sufficient financing to satisfy our substantial capital requirements, including to fund capital expenditures, acquisitions, debt repayment and distributions to our partners;
- our ability to obtain sufficient spectrum licenses, particularly in our most densely populated areas;
- our ability to develop future business opportunities, including wireless data services, and to continue to adapt to the changing conditions in the wireless industry;
- our ability to receive satisfactory service from our key vendors and suppliers;
- our ability to generate additional subscribers, with acceptable levels of churn, from resellers and distributors of our service;
- material changes in available technology, and technology substitution that could impact the popularity and usage of our technology;
- our continued provision of satisfactory service to our subscribers at an acceptable cost, in order to reduce churn;
- the impact of continued unionization efforts with respect to our employees;
- regulatory developments, including new regulations that could increase our cost of doing business or reduce demand for our services;
- developments in connection with existing or future litigation;
- changes in our accounting assumptions that regulatory agencies, including the SEC, may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings; and
- other factors described in our Registration Statement on Form S-4 (No. 333-92214) under the heading "Risk Factors".

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Our primary market risk relates to changes in interest rates, which could impact results of operations. As of December 31, 2002, we had $10.6 billion of aggregate floating rate debt outstanding under intercompany loan facilities, the floating rate notes and our credit facility. The intercompany loans bear interest at rates that vary with Verizon Communications' cost of funding; because a portion of its debt is fixed-rate, and because its cost of funding may be affected by events related solely to it, our interest rates may not adjust in accordance with market rates. A change in our interest rates of 100 basis points would change our interest expense by approximately $106 million. We currently hedge our interest rate risk for a small portion of our floating rate debt, which was less than 1% of outstanding balances as of December 31, 2002.

We also have exposure to fluctuations in foreign exchange rates as a result of a series of sale/leaseback transactions that obligate us to make balloon payments in Japanese yen. As of December 31, 2002, our obligations under these arrangements were $120 million. A change in the value of the U.S. dollar compared to the Japanese yen of 10% would change our obligations in U.S. dollars by approximately $6.9 million. However, we have entered into forward exchange contracts that fully hedge the foreign exchange exposure for these obligations, although we are subject to the risk that our counterparties to

these contracts fail to perform.

Item 8. Financial Statements and Supplementary Data

The consolidated financial statements required by this Item are set forth on the pages indicated at Item 15.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

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PART III

Item 10. Directors and Executive Officers of the Registrant

The following table presents information regarding members of our board of representatives, our executive officers and other significant employees.

Name	Age	Position
Ivan G. Seidenberg	56	Chairman of the Board of Representatives
Sir Christopher Gent	54	Representative
Dennis F. Strigl	56	President and Chief Executive Officer, Representative
Lawrence T. Babbio, Jr.	58	Representative
Doreen A. Toben	53	Representative
Kenneth J. Hydon	58	Representative
Tomas Isaksson	48	Representative
Lowell C. McAdam	48	Executive Vice President and Chief Operating Officer
Richard J. Lynch	54	Executive Vice President and Chief Technical Officer
Andrew N. Halford	44	Vice President and Chief Financial Officer
Roger Gurnani	42	Vice President--Information Systems and Chief Information Officer
John G. Stratton	42	Vice President and Chief Marketing Officer
Marc C. Reed	44	Vice President--Human Resources
S. Mark Tuller	54	Vice President--Legal & External Affairs, General Counsel and Secretary
James J. Gerace	39	Vice President--Corporate Communications
Margaret P. Feldman	45	Vice President--Business Development

Ivan G. Seidenberg has been Chairman of the board of representatives of Verizon Wireless since the company's launch in April 2000. He became President and Chief Executive Officer of Verizon Communications in April 2002. From June 2000 to April 2002, he was Co-Chief Executive Officer of Verizon Communications. Before June 2000, he was Chairman and Chief Executive Officer of Bell Atlantic Corporation since December 1998 and was previously the Chief Executive Officer from June 1998 and Vice Chairman, President and Chief Operating Officer from 1997. From 1995 to 1997 he was the Chairman and Chief Executive Officer of NYNEX Corporation. His career in the communications industry also includes positions as Vice Chairman of NYNEX's Telecommunications Group and President of its Worldwide Information and Cellular Services Group. He serves on the boards of directors of Honeywell International Inc., Wyeth, Boston Properties, Inc., CVS Corp., Viacom Inc., the Museum of Radio and Television, the Hall of Science and Pace University.

Sir Christopher Gent has been a member of our board of representatives since the company's launch in April 2000. He has been a member of the board of directors of Vodafone Group Plc since August 1985 and the Chief Executive Officer of that company since January 1997. He was the Managing Director of Vodafone Limited, the U.K. network operator, from January 1985 to December 1996. He is Chairman of the Supervisory Board of Vodafone Holding GmbH and a non-Executive Director of China Mobile (Hong Kong) Limited. He recently announced his intention to resign as Chief Executive Officer of Vodafone Group Plc in July 2003.

Dennis F. Strigl has served as President and Chief Executive Officer of Verizon Wireless and has been a member of our board of representatives since the company's launch in April 2000. In addition, he has served as Executive Vice President of Verizon Communications since June 2000. He had been President and Chief Executive Officer of Bell Atlantic Mobile and its predecessors since 1991, and was also Group President and Chief Executive Officer of Bell Atlantic Global Wireless Group since 1997. Mr. Strigl served as President of Ameritech Mobile Communications from 1984 to 1986, where he was instrumental in launching the nation's first cellular communications network. He later served as President and Chief Executive Officer of Applied Data Research Inc., and Vice President-Operations and Chief Operating Officer for New Jersey Bell. Mr. Strigl is a past Chairman and current member of the Executive Committee of the Cellular Telecommunications & Internet Association, and currently serves on the boards of directors of Anadigics, Inc., PNC Financial Services Group, Inc. and PNC Bank.

Lawrence T. Babbio, Jr. has been a member of our board of representatives since the company's launch in April 2000. He became President and Vice Chairman of Verizon Communications in June 2000 upon completion of the Bell Atlantic-GTE merger. From December 1998 until June 2000 he had been President and Chief Operating Officer of Bell Atlantic Corporation. From 1997 until 1998, he served as President and Chief Executive Officer of Bell Atlantic's Network Group and Chairman of the company's Global Wireless Group, one of the largest wireless operations worldwide, and was Vice Chairman of Bell

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Atlantic Corporation prior to its merger with NYNEX. He serves on the boards of directors of Hewlett Packard Company and ARAMARK Corporation.

Kenneth J. Hydon has been a member of our board of representatives since the company's launch in April 2000. He is Vodafone's Financial Director and has been a member of Vodafone's board of directors since 1985. He is a Fellow of the Chartered Institute of Management Accountants, the Association of Chartered Certified Accountants and the Association of Corporate Treasurers. He is director of several subsidiaries of Vodafone, and promotes U.S. investor relations. Mr. Hydon is a member of the Supervisory Board of Vodafone GmbH.

Tomas Isaksson has been a member of our board of representatives since January 2002. He has been Chief Executive, Americas Region for Vodafone since January 2002. From March 2000 to January 2002, Mr. Isaksson was President of Vodafone Global Platform and Internet Services. Prior to that, he was President and CEO of Swedish mobile operator Europolitan since November 1995. Mr. Isaksson is a member of the Vodafone Group Executive Committee as well as Group Operational Review Committee and a board member of Ledstiernan AB. He also is a member of the board of directors of Grupo Iusacell, S.A. de C.V., ATX Technologies, Inc. and Clickmarks, Inc.

Doreen A. Toben has been a member of our board of representatives since October 2002. She has been the Executive Vice President and Chief Financial Officer for Verizon Communications since April 2002. From 2000 to April 2002, she was Senior Vice President and Chief Financial Officer for Verizon's Telecom Group. From 1997 to 2000, she was Vice President and Controller for Bell Atlantic Corporation and a member of Bell Atlantic's Executive Committee. Prior to that, she held various financial positions at Bell Atlantic.

Lowell C. McAdam has been our Executive Vice President and Chief Operating Officer since the company's launch in April 2000. From September 1997 to April 2000, he was President and Chief Executive Officer of PrimeCo. Prior to that he was the Executive Vice President and Chief Operating Officer of PrimeCo since November 1994. Mr. McAdam joined AirTouch in 1993 where he served in a number of key positions, including Vice President-International Operations, and Lead Technical Partner for cellular ventures in Spain, Portugal, Sweden, Italy, Korea and Japan. From 1983 to 1993, he held various executive positions with Pacific Bell.

Richard J. Lynch has been our Executive Vice President and Chief Technical Officer since the company's launch in April 2000. From 1995 to 2000, he was the Executive Vice President and Chief Technology Officer for Bell Atlantic Mobile and Bell Atlantic NYNEX Mobile. He served as Chairman of the Wireless Data Forum (formerly the CDPD Forum). Under his guidance, the CDPD forum was reformed as the Wireless Data Forum embracing all wireless data technologies and a wider variety of members. He has served as an executive board member of the CDMA Development Group, an organization responsible for promotion, advancement, deployment and future developments of CDMA. In addition, Mr. Lynch is a senior member of The Institute of Electrical and Electronics Engineers, Inc. (IEEE) and is a member of the board of directors of Sierra Wireless, Inc.

Andrew N. Halford has been our Vice President and Chief Financial Officer since April 2002. From 1999 to 2002, he served as a Financial Director for various Vodafone businesses, including its Northern Europe, Middle East and Africa region encompassing nine countries serving populations of more than 300 million people. Prior to this, he held a number of business development, IT and finance directorships in the UK electricity sector from 1992 to 1998. Mr. Halford started his career with Price Waterhouse and worked for them from 1980 to 1992, based both in the UK and South Africa. He is a Fellow of the Institute of Chartered Accountants in England and Wales, having qualified in 1983.

Roger Gurnani has been our Vice President--Information Systems and Chief Information Officer since the company's launch in April 2000. From April 1997 to April 2000, he served as Vice President and Chief Information Officer at Bell Atlantic Mobile. Prior to joining Bell Atlantic Mobile, he was Executive Director-Broadband Systems with Bell Atlantic from October 1994 to April 1997. Prior to that, Mr. Gurnani held a number of information technology positions at WilTel (now WorldCom).

John G. Stratton has been our Vice President and Chief Marketing Officer since March 2001. He served as President of our company's Northwest Area from 2000 to 2001. Previously, he was President of Bell Atlantic Mobile's Philadelphia Region from 1999 to 2000. He also served as Vice President of Marketing and Regional Vice President--Retail Sales and Operations for the New York Metro market since joining Bell Atlantic Mobile in 1993. Prior to that, he was Vice President of Merchandising for Jersey Camera.

Marc C. Reed has been our Vice President--Human Resources since the company's launch in April 2000. He was Vice President--Human Resources for GTE Communications Corporation, GTE's competitive local exchange carrier, from 1997 to April 2000. Prior to that, Mr. Reed was Director-Human Resources for GTE Wireless from 1993 to 1997. He began his career with GTE in 1986 at GTE's world headquarters.

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S. Mark Tuller has been our Vice President--Legal and External Affairs and General Counsel since the company's launch in April 2000 and our Secretary since May 2000. He served as Vice President--Legal and External Affairs, General Counsel and Secretary for Bell Atlantic Mobile and Bell Atlantic NYNEX Mobile from 1995 to 2000. Previously, he was Vice President and General Counsel for Bell Atlantic Mobile since 1992. He was at Bell Atlantic Network Services, Inc. beginning in 1990. In 1986, he moved to Bell Atlantic corporate headquarters and previously he was Vice President and General Counsel for Bell Atlanticom Systems, Inc. Mr. Tuller is currently a member of the board of directors of the Cellular Telecommunications & Internet Association. Mr. Tuller began his legal career at the Federal Trade Commission where he served as Attorney Advisor to the chairman. He later practiced antitrust and general business litigation at Arnold & Porter.

James J. Gerace has been our Vice President--Corporate Communications since the company's launch in April 2000. From July 1995 to April 2000, he was Vice President--Corporate Communications at Bell Atlantic Mobile. Prior to that, he served as Director of Public Relations for NYNEX Mobile Communications beginning in 1991. He began his wireless communications career with NYNEX Mobile Communications in 1986 as Manager of Employee Communications.

Margaret P. Feldman has been our Vice President--Business Development since May 2001. From April 2000, when the company was launched, until May 2001, she was Staff Vice President--Tax. Prior to that she served as Assistant Vice President--State Tax Planning for GTE Corporation from October 1997 to 2000. From 1995 to 1997, Ms. Feldman was Director of Tax Operations for Telecom Products and Services for GTE. She began her career at Arthur Andersen & Co. in 1982, joined Contel Corporation in 1987 and GTE Mobilnet in 1991.

Item 11. Executive Compensation

The human resources committee of our board of representatives establishes and administers the compensation and benefit plans for our chief executive officer and each of our four most highly compensated executive officers, whom we refer to as named executive officers. Mr. Halford became our Chief Financial Officer as of April 1, 2002 pursuant to an international assignment agreement with Vodafone. His salary in the summary compensation table below reflects total salary received for fiscal year 2002. Vodafone compensates Mr. Halford for his services, and we then reimburse Vodafone.

Prior to the contribution of assets by Verizon Communications and Vodafone to us on April 3, 2000, each of the named executive officers was employed and compensated by one of our predecessor companies. Since April 3, 2000, all of our named executive officers have participated in our benefit plans. In addition, Mr. Strigl continues to participate in selected Verizon Communications benefit plans and Mr. Halford continues to participate in Vodafone benefit plans.

Summary Compensation Table

As further described below, the compensation structure for the named executive officers consists of:

- salary;
- short-term incentive paid in cash; and
- long-term incentive in the form of value appreciation rights and stock options to purchase common stock.

Salary. Salaries listed in the summary compensation table represent the total salary for 2000, 2001 and 2002 including:

- the salary paid to each named executive officer for the first quarter of 2000 by the applicable predecessor company; and
- the salary paid by us to each named executive officer for the last three quarters of 2000 and all of 2001 and 2002.

Short-term incentives. Bonuses listed in the table below represent:

- incentive amounts paid pursuant to the applicable predecessor companies' short-term incentive plan for the first quarter of 2000; and
- each executive's incentive amount paid pursuant to our short-term incentive plan for the last three quarters of 2000 and all of 2001 and 2002.

Award values under our short-term incentive plan are based on the achievement of predetermined revenue, operating cash flow and net subscriber addition goals and quality and strategic objectives.

The short-term incentive bonus paid to Mr. Halford is based on the achievement of predetermined objectives pursuant to the Vodafone short-term incentive plan.

Long-term incentives. Long-term compensation listed in the table below represents grants made to each named executive officer pursuant to our long-term incentive plan, other than for Mr. Strigl and Mr. Halford. On an ongoing basis, our human

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resources committee sets the number of partnership value appreciation rights granted to each of the named executive officers each year. All value appreciation rights are granted with an exercise price not less than fair market value on the date of grant.

The long term incentives granted to Mr. Strigl and Mr. Halford, are made pursuant to the Verizon Communications long- term incentive plan and the Vodafone Group Plc 1999 long term incentive plan, respectively.

Summary Compensation Table
Fiscal Year 2002

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		Annual Compensation			Long-Term Compensation			
Named and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation ($)(2)	Restricted Stock Awards ($)(3)	Options/ Partnership VARS	LTIP Payments ($)	All Other Compensation ($)(6)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Dennis F. Strigl	2002	$800,000	$ 1,200,000	$135,513	--	251,000(4)	--	$ 704,579
President and	2001	750,000	915,000	189,200	--	245,300(4)	--	6,016,665
Chief Executive Officer	2000	712,500	1,212,000(1)	124,400	$3,500,000	527,060(4)	--	3,490,800
Lowell C. McAdam	2002	$524,100	$600,000	--	--	400,000(5)	--	$ 417,852
Executive Vice President and	2001	501,600	454,000	--	--	376,331(5)	--	560,778
Chief Operating Officer	2000	437,575	537,000(1)	--	--	197,530(5)	516,796	503,671
Richard J. Lynch	2002	$378,525	$347,000	--	--	200,000(5)	--	$ 202,534
Executive Vice President and	2001	363,125	262,000	--	--	190,273(5)	--	253,412
Chief Technical Officer	2000	331,000	306,000(1)	--	--	126,135(5)	--	734,445
Andrew N. Halford	2002	$497,335	$190,500	$38,636	$371,605	294,444(8)		$ 407,588
Vice President and Chief Financial Officer (7)								
S. Mark Tuller	2002	$346,050	$315,000	--	--	175,000(5)	--	$ 167,952
Vice President Legal and	2001	332,000	240,000	--	--	173,964(5)	--	204,095
External Affairs, General	2000	298,250	277,000(1)	--	--	114,576(5)	--	750,987

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(1) For fiscal year 2000, the data reflects the prorated amounts these executive officers received under predecessor companies' short-term incentive plan and our short-term incentive plan.

(2) Mr. Strigl's other annual compensation for 2000, 2001 and 2002 includes incremental costs for personal use of Verizon Communications' aircraft in the amount of $98,640, $151,525 and $83,493 respectively. Mr. Halford's other annual compensation reflects automobile allowances of $38,636.

(3) Mr. Strigl's grant reflects the dollar value of the one-time grant of restricted stock units based on the closing price of Verizon Communications common stock on the grant date, September 7, 2000. These units vest over a five-year period, subject in part to meeting specified performance and time measures. Additional restricted stock units are received on each dividend payment date which are determined by dividing the dividend that would have been paid on the restricted stock units by the closing price of Verizon Communications common stock on the dividend declaration date. Mr. Strigl holds a total of 86,235 restricted stock units, which had a dollar value of $3,341,599 based upon the closing price of Verizon Communications common stock on December 31, 2002. Mr. Halford's grant reflects the dollar value of a one-time grant of restricted stock units based on the closing price of Vodafone common stock on December 31, 2002. These units vest over a two-year period, subject in part to meeting specified performance measures.

(4) Reflects non-qualified stock option grants made to Mr. Strigl in 2000, 2001 and 2002 to purchase Verizon Communications common stock.

(5) Reflects partnership value appreciation rights granted under our long-term incentive plan in 2000, 2001 and 2002.

(6) For fiscal year 2002, includes payments of retention bonuses for Messrs. McAdam in the amount of $334,994. In addition, includes contributions by us to qualified plans for Messrs. Strigl, McAdam, Lynch and Tuller in the amounts of $15,400, $15,400, $15,400 and $15,400, respectively; contributions by us to non-qualified plans for Mr. McAdam, Lynch and Tuller in the amounts of $64,058, $36,414 and $31,943, respectively; contributions by us to the Verizon Wireless Retirement Plan for Mr. McAdam, Lynch and Tuller in the amounts of $3,400, $3,400 and $3,400 respectively; contributions by Verizon Communications to Mr. Strigl under the non-qualified income deferral plan in the amount of $572,207; a contribution by Verizon Communications to Mr. Strigl of $116,972, which is the value of the benefit to Mr. Strigl of a company-paid split dollar life

insurance premium, determined by projecting on an actuarial basis the benefit between payment of the premium and the termination of the policy. As of July 2002, Verizon Communications suspended premium payments towards these executive life insurance policies pending further evaluation of the status of these policies. Also included are contributions by us to Messrs. Lynch and Tuller under the executive transition and retention retirement plan in the amounts of $147,320 and $117,209, respectively; and, for Mr. Halford, company contributions in the form of shares of Vodafone stock under the Vodafone profit sharing scheme with a value of $3,211, the Vodafone Group share incentive plan with a value of $1,811, a contribution by Vodafone to the Vodafone Group pension scheme and Vodafone group funded unapproved retirement benefit scheme of $94,178 and $85,154, respectively; and relocation expenses and overseas allowances of $223,234.

(7) Mr. Halford is paid in UK pounds sterling. All amounts shown are in U.S. dollars at an exchange rate of (pound)1 = $1.6095, the reference exchange rate for December 31, 2002. Mr. Halford's salary includes a premium of $90,534 for his additional responsibilities in the United States.

(8) Reflects a stock option grant Mr. Halford received in 2002 under the Vodafone Group Plc 1999 long term incentive plan.

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Year 2002 Grants of Stock Options and Partnership Value Appreciation Rights

The following tables describe grants of stock options or partnership value appreciation rights to each of our named executive officers for the year ending December 31, 2002.

Verizon Communications Stock Options

Options to purchase Verizon Communications common stock were granted in 2002 pursuant to the Verizon Communications long-term incentive plan.

<TABLE>

Name	Number of Securities Underlying Options Granted	% of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price ($/Share)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term	
					5%	10%
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Dennis F. Strigl(1)...	251,000(2)	0.8%	$48.67	1/23/2012	$7,682,684	$19,469,429

</TABLE>

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(1) No partnership value appreciation rights have been granted to Mr. Strigl.
(2) One-third of the options are exercisable on January 24, 2003; two-thirds are exercisable on January 24, 2004; and the balance is exercisable on January 24, 2005.

The potential realizable value is calculated based on the term of the option. It is calculated assuming that the fair market value of the common stock of Verizon Communications on the date of the grant appreciates at projected annual rates compounded annually for the entire term of the option and that the option is exercised and sold on the last day of its term for the appreciated stock price. These numbers are calculated based on the requirements of the SEC and do not reflect our estimate of future stock price growth.

Verizon Communications' options generally vest as to one-third of the aggregate number of shares each year, commencing one year after the date of grant. These options include a reload feature, which provides that, if an optionee exercises a stock option by delivering previously owned shares that are sufficient to pay the exercise price plus applicable tax withholdings, he or she will receive an additional stock option grant. The number of shares represented by that option will be equal to the number of previously owned shares surrendered in this transaction. This replacement stock option will be granted with an exercise price equal to the fair market value of the underlying stock on the date of grant and will become exercisable six months from the date of the grant.

Partnership Value Appreciation Rights

Partnership value appreciation rights were granted in 2002 pursuant to our long-term incentive plan.

<TABLE>

Name	Number of Securities Underlying VARs Granted	% of Total VARs Granted to Employees in Fiscal Year	Exercise or Base Price ($/VAR)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for VAR Term	
					5%	10%
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Lowell C. McAdam(1).....	400,000	0.74%	$8.7400	7/23/2012	$2,198,616	$5,571,724
Richard J. Lynch(1).....	200,000	0.37%	8.7400	7/23/2012	1,099,308	2,785,862
S. Mark Tuller(1).....	175,000	0.32%	8.7400	7/23/2012	961,894	2,437,629

</TABLE>

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(1) On July 23, 2002, Messrs. McAdam, Lynch and Tuller received grants under our long-term incentive plan. These grants vest at the same time in full on July 23, 2005.

The potential realizable value is calculated based on the term of the partnership value appreciation right. It is calculated using the fair market value of the value appreciation right on the date of grant, which represents the value of the firm as of December 31, 2002 and appreciates at projected

annual rates compounded annually for the entire term of the value appreciation right and that the right is exercised and sold on the last day of its term for the appreciated stock price. These numbers are calculated based on the requirements of the SEC and do not reflect our estimate of future stock price growth.

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Vodafone Group Plc Stock Options

Options to purchase Vodafone common stock were granted in 2002 pursuant to the Vodafone Group Plc 1999 Incentive Plan.

<TABLE>

Name	Number of Securities Underlying Options Granted	% of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price ($/Share)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term	
					5%	10%
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Andrew N. Halford(1)	294,444	0.48%	1.4486	07/01/2012	268,243	679,781

</TABLE>

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(1) On July 1, 2002, Mr. Halford received a grant under Vodafone's long-term stock incentive plan.

The potential realizable value is calculated based on the term of the option. It is calculated assuming that the fair market value of Vodafone common stock on the date of grant appreciates at projected annual rates compounded annually for the entire term of the option and that the option is exercised and sold on the last day of its term for the appreciated stock price. These numbers are calculated based on the requirements of the SEC and do not reflect our estimate of future stock price growth.

Aggregate Exercise in Year 2002 and Year-End Values of Options and Value Appreciation Rights

The following table provides information for the named executive officers regarding exercises of Verizon Communications options, partnership value appreciation rights and Vodafone options in 2002. Additionally, the table provides the value of unexercised options and value appreciation rights which have been based on the fair market value of the shares of common stock of Verizon Communications and Vodafone and on the value of the partnership appreciation rights on December 31, 2002, less the applicable exercise price.

<TABLE>

Name	Shares Acquired on Exercise (#)	Value Realized ($)	Number of Unexercised Options/VARs as of 12/31/02 (#)		Value of Unexercised In-The-Money Options/ VARs as of 12/31/02 ($)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
<S> <C>			<C>	<C>	<C>	
Dennis F. Strigl(1).....	--	--	448,891	856,896	13,956	--
Lowell C. McAdam(2).....	--	--	--	973,861	--	--
Andrew N. Halford(3).....	--	--	125,500	513,744	--	110,197
Richard J. Lynch(2).....	--	--	--	516,408	--	--
S. Mark Tuller(2).....	--	--	--	463,540	--	--

</TABLE>

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(1) Represents Verizon Communications options.
(2) Represents Verizon Wireless partnership value appreciation rights granted pursuant to our long-term incentive plan.
(3) Represents Vodafone options.

Retirement and Other Plans

Verizon Communications Income Deferral Plan

Mr. Strigl participates in the Verizon Communications income deferral plan. This plan is a nonqualified, unfunded, supplemental retirement and deferred compensation plan under which an individual account is maintained for each participant. The plan allows the participants to defer voluntarily a portion of their compensation and also provides retirement and other benefits through credits to the participant's account under the plan. The plan allows the participants to defer voluntarily the receipt of up to 100% of their eligible compensation, and also provides retirement and other benefits to certain executives through credits made by Verizon Communications to the participant's account under the plan. Eligible compensation consists of:

- a participant's base salary in excess of the Internal Revenue Code limit on compensation for qualified retirement plans, which was

$200,000 in 2002;

- all of the participant's annual incentive award under the Verizon Communications short-term incentive plan; plus
- retention awards or other bonuses which the plan administrator determines are eligible for deferral.

If a participant elects to defer income, Verizon Communications provides a matching contribution equal to the rate of match under the qualified savings plan for management employees. In most cases, that rate is 100% of the first 4% of eligible

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compensation deferred and 50% of the next 2% of eligible compensation deferred. In addition, for the first 20 years of participation in the plan for certain participants, Verizon Communications automatically makes retirement contributions to a participant's account equal to 32% of the base salary, in excess of $200,000, and short-term incentive award components of the participant's eligible compensation. Thereafter, Verizon Communications makes retirement contributions equal to 7% of such eligible compensation.

Verizon Communications maintains an individual account for each participant in the income deferral plan. For 2002, Verizon Communications' matching and retirement contributions to Mr. Strigl's account were $572,207, with an aggregate account balance of $2,909,493.

Vodafone Americas Asia Inc. Deferred Compensation Plan

Mr. McAdam participated in the Vodafone Americas Asia Inc. deferred compensation plan. This plan is a nonqualified, supplemental retirement and deferred compensation plan. The plan allowed Mr. McAdam to defer all or a part of his base salary and specified other incentive compensation and made him eligible to receive a matching contribution up to 6% of his base salary and specified other incentive compensation in excess of the Internal Revenue Code limit on compensation for qualified retirement plans. Mr. McAdam no longer participates in this plan. However, he continues to receive interest on his account balance at a rate equal to the October valuation of the 10-year Treasury note plus 2%.

Verizon Wireless Executive Savings Plan

Messrs. McAdam, Lynch and Tuller participate in the Verizon Wireless executive savings plan (formerly, the Bell Atlantic Mobile Executive Savings Plan). The plan allows participants to defer voluntarily a portion of their compensation. Participants are allowed to defer:

- all or a portion of a participant's base salary in excess of the Internal Revenue Code limit on compensation for qualified retirement plans, which was $200,000 in 2002; plus
- all or a portion of the participant's annual incentive award under the Verizon Wireless short-term incentive plan.

If a participant defers base salary through the plan, we provide a matching contribution generally equal to 100% of the first 6% of the participant's compensation contributed under the plan. This plan is a nonqualified, unfunded, supplemental retirement and deferred compensation plan. Amounts deferred in the plan are invested in a fixed-income fund or a phantom partnership equity fund at the discretion of the participant, who is entitled to switch between funds on a daily basis.

The portion of Messrs. McAdam's, Lynch's and Tuller's accounts attributable to us as of December 31, 2002 was $64,058, $36,414 and $31,943, respectively.

Bell Atlantic NYNEX Mobile Executive Transition and Retention Retirement Plan

Messrs. Lynch and Tuller participate in the Bell Atlantic NYNEX Mobile executive transition and retention retirement plan. This plan is a non-qualified, unfunded supplemental retirement plan under which an individual account is maintained for each participant. Participants' accounts are fully vested at all times. Annually, an amount equal to 23% and 20%, respectively, of base salary and actual bonus under the Verizon Wireless short-term incentive plan is credited to the accounts of Messrs. Lynch and Tuller. Amounts are payable upon separation from service with us or any affiliated company, including amounts representing a full year of service even if the separation is effected before the end of that year. As of December 31, 2002, Messrs. Lynch's and Tuller's account balances were $1,032,780 and $808,062, respectively.

Verizon Enterprises Management Pension Plan

Mr. Lynch participated in the Verizon Enterprises management pension plan. This is a non-contributory, tax-qualified pension plan that provides for distribution of benefits in a lump sum or an annuity, at the participant's election. Mr. Lynch's active participation in the plan ended on June 30, 1995. His accrued benefit of $2,827.72, expressed as a single life annuity payable at age 65, reflects service and pay history while employed by Bell Atlantic prior to July 1, 1995.

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Bell Atlantic Executive Management Retirement Income Plan

Mr. Lynch participated in the Bell Atlantic executive management retirement income plan. This is a non-contributory, nonqualified excess pension plan that provides for distribution of benefits in a lump sum or an annuity, at the participant's election. Mr. Lynch's active participation in the plan ended on June 30, 1995. His accrued benefit of $3,235.73, expressed as a single life annuity payable immediately, reflects service and pay history while employed at Bell Atlantic prior to July 1, 1995.

Verizon Wireless Retirement Plan

Messrs. McAdam, Lynch and Tuller participate in the Verizon Wireless retirement plan. Verizon Wireless provides a transitional contribution of 2% of eligible pay up to the Internal Revenue Code limit on compensation for qualified retirement plans, which was $200,000 in 2002, for all eligible employees who were actively employed as of January 1, 2001 and who are not continuing to participate in a pension plan sponsored by GTE or its successor. The transitional benefit is provided annually. The first contribution was made during the first quarter of 2002 for the 2001 plan year. The transitional contribution is expected to continue until, but not after, the 2004 plan year. The portion of Messrs. McAdam's, Lynch's and Tuller's accounts contributed by us as of December 31, 2002 was $3,400, $3,400 and $3,400, respectively.

Vodafone Group Pension Schemes

Mr. Halford participates in the Vodafone Group pension scheme. This is a defined benefit scheme restricted by the UK Inland Revenue earnings limits. Mr. Halford also participates in the Vodafone Group funded unapproved retirement benefit scheme which is a defined contribution scheme allowing contributions in excess of the UK Inland Revenue cap. The amounts contributed in 2002 by Vodafone to the Vodafone Group pension scheme and Vodafone Group funded unapproved retirement benefit scheme are $85,154 and $94,178, respectively.

The following table shows the total estimated annual pension benefits payable to Mr. Halford under the Vodafone Group pension scheme upon retirement at age 60, the normal retirement age at Vodafone Group Plc. The "pensionable remuneration" covered by this plan is presently capped by the UK Inland Revenue at an annual maximum of $157,000. For purposes of this table, "pensionable remuneration" means base salary only. The amounts set forth below are not subject to any deduction for Social Security or any other offset.

	Years of Service		
Pensionable Remuneration ($)	15	20	25 or more
125,000	$62,500	$83,333	$83,333
150,000	$75,000	$100,000	$100,000
157,000 or more	$78,222	$104,296	$104,296

At December 31, 2002, the number of creditable years of service and pensionable remuneration for Mr. Halford was 4 years and $157,000, respectively. As of December 31, 2002, the accrued actuarial value of his benefit is $199,708.

2000 Verizon Wireless Long Term Incentive Plan

Messrs. McAdam, Lynch and Tuller participate in the 2000 Verizon Wireless long-term incentive plan, pursuant to which they have been granted partnership value appreciation rights. The plan also provides for the following awards: incentive stock options within the meaning of Section 422 of the Internal Revenue Code, nonqualified stock options, deferred stock, dividend equivalents, performance awards, restricted stock awards, stock appreciation rights and other stock-based awards. While stock options and stock awards have been authorized under the plan, the issuance of such securities is not currently contemplated by our partnership agreement and accordingly would require further authorization by our partners before issuance.

The following individuals are eligible to receive awards under our plan, including value appreciation rights:

- our officers or officers of an affiliated company;
- other of our employees or employees of an affiliated company;
- individuals whose services are leased or seconded to us or to an affiliated company; and
- consultants who perform bona fide services for us or for an affiliated company.

Unless the plan committee determines otherwise, the exercise price of each value appreciation right may generally not be less than the fair market value on the date of grant. Except as otherwise provided by the plan committee or otherwise provided in the plan, a value appreciation right will become fully exercisable on the third anniversary of the date of grant and will expire on

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the tenth anniversary of the date of grant, subject to earlier expiration as provided in the plan. In the sole discretion of the plan committee, in the event of our initial public offering or an initial public offering of any affiliated company which serves as a public offering vehicle representing our business, value appreciation rights outstanding on the effective date of the public offering may be converted into stock options to purchase the publicly traded common stock of us, or if different, the public offering vehicle. If value appreciation rights are converted, then, unless the plan committee specifies otherwise, such converted stock options will become exercisable according to the terms specified by the plan committee.

The plan committee may provide in each participant's grant document the effect that a change in control of our company (as defined in the plan) will have on his or her grant. Our board of representatives may generally amend or terminate the plan at any time. The plan will terminate on the tenth anniversary of its effective date, unless our board of representatives terminates the plan earlier or extends it with approval of the stockholders.

Vodafone Group Plc 1999 Incentive Plan

Mr. Halford currently participates in the Vodafone Group Plc 1999 long-term incentive plan under which he received an option grant in 2002. The plan is administered at the discretion of the Vodafone Group Plc remuneration committee. Option grants are normally made within six weeks following the announcement of Vodafone's results on the London Stock Exchange for any financial period. Options granted under the plan are subject to performance conditions that are aimed to link the exercise of options to improvements in the financial performance of Vodafone. Subject to any performance conditions, options granted under the Vodafone Group Plc 1999 stock incentive plan are normally exercisable between three and ten years after their grant.

Mr. Halford also received a restricted stock award under the plan. Eligible employees are granted an award of Vodafone ordinary shares which are transferred, together with any dividends on such shares, to the employee on a specified date if he or she remains employed by Vodafone through that date and Vodafone satisfies predetermined performance targets. Upon a change in control of Vodafone, the trustees of the plan will take whatever action they consider appropriate, including exercising their discretion to transfer any ordinary shares underlying an award. In 2002, Mr. Halford received an award of 203,870 shares at $371,605, which represents the fair market value on December 31, 2002.

Vodafone Group Profit Sharing Scheme

Mr. Halford participated in the Vodafone Group profit sharing scheme until March 31, 2002. Under this plan, eligible employees can contribute up to 5% of their salary each month, up to a maximum of $1,070 per month, to enable trustees of the plan to purchase shares of Vodafone stock on their behalf, with an equivalent number of shares being purchased for the employee by Vodafone. As of December 31, 2002, Mr. Halford has contributed $3,211 of base salary to the plan and the value of the shares contributed by Vodafone is $3,211. The Vodafone Group profit sharing scheme was terminated on March 31, 2002 and replaced by the Vodafone Group share incentive plan on April 1, 2002 under which eligible employees may contribute up to a maximum of $201 per month but otherwise operates in a similar way to the profit sharing scheme.

Employment Arrangements

Dennis F. Strigl. Under the terms of Mr. Strigl's employment agreement with us, he has received a base salary of at least $750,000 (and, effective January 1, 2002, at least $800,000). In addition, the agreement provides Mr. Strigl with:

- an opportunity to earn a performance-based cash bonus in accordance with our short-term incentive plan;
- an opportunity to earn equity awards under Verizon Communications long-term incentive plan;
- a retention bonus, paid in July 2001, since Mr. Strigl remained in our continuous employ through June 30, 2001 equal to the sum of 100% of his 2001 base salary, 50% of his 2001 short-term incentive opportunity and 100% of his 2001 long-term incentive opportunity;
- a one-time grant of an option to purchase 400,000 shares of Verizon Communications common stock;
- a one-time grant of 80,000 restricted stock units with respect to shares of Verizon Communications common stock, of which one-third of the units will vest over a five-year period from the grant date, one-third of the units will vest based on the growth of the annual

revenues of Verizon Communications and one-third of the units will vest based on the growth of the earnings per share of Verizon Communications common stock; and

- other customary benefits and perquisites.

Mr. Strigl's employment agreement has a three-year term effective July 1, 2000, but beginning on July 1, 2001 and on each day thereafter, the remaining term will be two years except as expressly modified by the parties in writing. Under the agreement, Mr. Strigl will be entitled to the following payments and benefits if we terminate his employment without cause or if he terminates such employment for good reason, which includes the occurrence of a change in control as defined in the employment agreement:

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- a lump-sum cash payment equal to Mr. Strigl's base salary, 50% of his maximum short-term bonus opportunity and 100% of his long-term bonus opportunity for the remaining term of employment, reduced by any amounts payable under any severance plan or other arrangement that we or our subsidiaries, affiliates or portfolio companies sponsor;
- immediate vesting of any unvested stock options, exercisable up to the earlier of the fifth anniversary of the termination of employment or the expiration of the options;
- outplacement services; and
- continued benefits under a split-dollar life insurance program. As of July 2002, Verizon Communications suspended premium payments towards these executive life insurance policies pending further evaluation of the status of these policies.

If we experience a change in control and Mr. Strigl terminates his employment for good reason, as defined in his agreement, and receives the payments described above, he will also receive a gross-up payment to offset fully the effect of any excise tax imposed by Section 4999 of the Internal Revenue Code on any excess parachute payment.

Under the agreement, Mr. Strigl agrees that during employment and for six months following termination of employment, he will not engage in business activities relating to products or services similar to those which were or will be sold to paying customers and for which he then has responsibility to plan, develop, manage, market or oversee or had any such responsibility within his most recent 24 months of employment with us, except any such business activity whose geographic marketing area does not overlap with that of us or our subsidiaries, affiliates or portfolio companies. Further, during employment and for one year following termination of employment, Mr. Strigl will not interfere with our business relations, including for example by soliciting employees, customers, agents, representatives or suppliers.

Lowell C. McAdam, Richard J. Lynch and S. Mark Tuller. In April of 2000, we entered into employment agreements with Messrs. McAdam, Lynch and Tuller with base salaries of $480,000, $350,000 and $320,000, respectively. In addition, the agreements provide each of these individuals with the opportunity to earn an annual cash bonus in accordance with the terms of the partnership's short-term incentive plan and to receive stock-based awards under the partnership's long-term incentive plan.

In addition, Mr. McAdam is entitled to receive the following amounts under his previous employment agreement with Vodafone and his current retention agreement:

- $620,000 payable upon the termination of the employment agreement;
- $310,000, paid in April 2002; and
- $500,000, paid in October 2001 under his retention agreement.

Each employment agreement has a three-year term effective April 3, 2000, but the term is automatically extended on a monthly basis except as expressly modified by the parties in writing. Under the agreements, each of Messrs. McAdam, Lynch and Tuller will be entitled to liquidated damages if we terminate their employment without cause or if the executive terminates such employment for good reason, as defined in the agreements, equal to:

- 150% of their annualized base salary and short-term incentive target amount payable in 18 monthly installments;
- continued participation in our health and dental insurance plans for 18 months following termination; and
- pro-rata vesting of any unvested long-term incentive awards.

Further, if employment is terminated because it is not renewed, the executive will be entitled to liquidated damages equal to:

- 100% of their annualized base salary and short-term incentive target amount payable in 12 monthly installments;
- continued participation in our health and dental insurance plans for 12 months following termination; and
- vesting of any unvested long-term incentive award in accordance with the terms of the governing plan documents.

Under the agreements, the executives each agree that during employment and one year following termination of employment, he will not engage in business activities in the wireless communications industry within or adjacent to the partnership's geographic footprint relating to products or services similar to those of the partnership, including any products or services we or an affiliated company planned to offer. Further, during employment and the two

years following termination of employment they agree not to interfere with our business relations, including for example by soliciting employees, customers, agents, representatives, suppliers or vendors under contract.

The Human Resources Committee of the Board of Representatives has approved successor employment agreements for Messrs. McAdam, Lynch and Tuller, effective April 3, 2003, following the termination of existing employment agreements.

Andrew N. Halford. Mr. Halford is employed by the Vodafone Group and was seconded to us for a period of two years beginning on April 1, 2002. Under the terms of his international assignment agreement with Vodafone, Mr. Halford received an annual base salary of $497,335, which includes a premium of $90,534 for his additional responsibility in the United States, and was eligible for an annual bonus of $190,500. Mr. Halford was also entitled to specified perquisites, including an automobile allowance of $38,636. Mr. Halford is paid in UK pounds sterling. All amounts above are in U.S. dollars at an exchange rate of (pound)1=$1.6095, the reference exchange rate for December 31, 2002. The arrangement requires each party to provide six months' notice in order to terminate the agreement.

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Item 12. Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information regarding beneficial ownership of our partnership interests held by:

- each of our named executive officers;
- each member of our board of representatives;
- each holder of more than 5% of our outstanding partnership interests; and
- all current representatives and executive officers as a group.

To our knowledge, except as indicated in the footnotes to this table and pursuant to applicable community property laws, the persons named in the table have sole voting and investment power regarding all partnership interests.

Name and Address of Beneficial Owner	% Partnership Interest
Verizon Communications Inc. (1) 1095 Ave of the Americas New York, NY	55.0%
Vodafone Group Plc (2) The Courtyard 2-4 London Road Newbury Berkshire RG14 1JX England	45.0%
Ivan G. Seidenberg	--
Sir Christopher Gent	--
Lawrence T. Babbio, Jr	--
Doreen A. Toben	--
Kenneth J. Hydon	--
Tomas Isaksson	--
Dennis F. Strigl	--
Lowell C. McAdam	--
Richard J. Lynch	--
Andrew N. Halford	--
S. Mark Tuller	--
All officers and representatives as a group (11 persons)	--

(1) Includes partnership interests held of record by the following subsidiaries of Verizon Communications: Bell Atlantic Cellular Holdings, L.P., NYNEX PCS Inc., PCSCO Partnership, GTE Wireless Incorporated, GTE Consumer Services Incorporated and GTE Wireless of Ohio Incorporated.

(2) Includes partnership interests held of record by the following subsidiaries of Vodafone: PCS Nucleus, L.P., JV Partnerco, LLC and AirTouch Paging.

Item 13. Certain Relationships and Related Transactions

The following descriptions are summaries of the material terms of agreements to which we or certain related persons are a party. They may not contain all of the information that is important to you. To understand these agreements fully, you should carefully read each of the agreements, copies of which have been filed as exhibits with the Securities and Exchange Commission.

U.S. Wireless Alliance Agreement

General

On September 21, 1999, Bell Atlantic, now known as Verizon Communications, and Vodafone entered into a U.S. wireless alliance agreement to create a wireless business composed of both companies' U.S. wireless assets. For this purpose, Verizon Communications and Vodafone agreed to amend and restate the existing partnership agreement of Cellco Partnership, which had previously been owned solely by Verizon Communications and through which Verizon Communications operated its Bell Atlantic Mobile wireless business. Pursuant to the agreement, Vodafone and Verizon Communications transferred specific U.S. wireless assets and liabilities to us in exchange for partnership interests. The assets were conveyed in two stages. The first stage occurred in April 2000 and related to the transfer of specific wireless assets and liabilities of Vodafone and

Verizon Communications' interest in PrimeCo and other assets to us. The second stage occurred in July 2000 and related to the transfer of specific wireless assets and liabilities that were acquired by Verizon Communications through Bell Atlantic's merger with GTE Corporation. After these contributions, Verizon Communications has an aggregate partnership interest equal to 55%, and Vodafone has an aggregate partnership interest equal to 45%.

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Indemnification

The agreement, as amended, provides for customary indemnification of us by Verizon Communications and Vodafone. Specifically, subject to limitations including caps, deductibles and time limitations, it provides that Verizon Communications will indemnify us for any losses that may result from, arise out of or relate to:

- any breach of the representations, warranties or covenants contained in the alliance agreement, other than those related to tax matters;
- any claim, litigation or proceeding arising out of events or a cause of action which existed prior to April 3, 2000, in the case of claims relating to the Cellco assets, or prior to July 10, 2000, in the case of claims relating to the assets transferred to us by Verizon Communications, with the exception of PrimeCo assets and except to the extent the claims arise out of transactions contemplated by the alliance agreement;
- liabilities that were not assumed by us relating to Cellco assets as of April 3, 2000; and
- liabilities that were not assumed by us relating to the assets conveyed to the partnership by Verizon Communications as of July 10, 2000.

Similarly, subject to similar limitations, Vodafone will indemnify us for any losses that may result from, arise out of or relate to:

- any breach of the representations, warranties or covenants contained in the alliance agreement, other than those related to tax matters;
- any claim, litigation or proceeding arising out of events or a cause of action which existed prior to April 3, 2000, in the case of claims relating to all assets transferred to us by Vodafone in the first stage closing, or prior to July 10, 2000, in the case of claims relating to the assets transferred to us by Vodafone in the second stage closing, with the exception of PrimeCo assets and except to the extent the claims arise out of transactions contemplated by the alliance agreement;
- liabilities that were not assumed by us relating to the assets conveyed to us by Vodafone as of April 3, 2000; and
- liabilities that were not assumed by us relating to the assets conveyed to us by Vodafone as of July 10, 2000.

The agreement also includes a tax indemnity by each partner to us with respect to any pre-closing income tax liability, although we are generally liable for pre-closing tax liabilities not involving income taxes.

The agreement provides that we have to indemnify Verizon Communications and Vodafone for losses that may result from the liabilities that we have assumed or from events that occur after the applicable closing dates with respect to transferred assets.

In connection with the alliance agreement, Verizon Communications, PrimeCo, GTE Wireless and Vodafone were required to dispose of various assets to eliminate overlapping networks. Our partners retained the cash proceeds of these dispositions. We agreed to sign an indemnity agreement in the form contemplated by the alliance agreement in connection with any disposition or acquisition made by Verizon Communications, including GTE Wireless, or Vodafone as a result of that requirement. Under these indemnity agreements, we are required to indemnify the seller for any losses it may incur as a result of indemnification it is required to provide in connection with those dispositions, unless the facts or circumstances triggering the losses were of the type that would be covered by the indemnity provided to us in the alliance agreement. In addition, those entities agreed to indemnify us for any losses arising out of assets purchased to the extent they receive reimbursement for those losses under indemnity rights in the purchase agreement.

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Settlement Strategy Agreement

Vodafone and Verizon Communications have entered into a settlement strategy agreement which sets out the principal terms upon which Vodafone and Verizon Communications intend to minimize the possibility of potential litigation and to pursue a settlement of any claims made or litigation commenced in connection with the alliance agreement. Pursuant to the agreement, we have full authority to obtain consents with respect to claimed rights of consent, rights of first refusal, put rights, default or similar claims made by a third party with respect to the assets conveyed pursuant to the alliance agreement. The parties contemplate that the resolution of third party rights with respect to a conveyed asset may result in a payment to the right holder, a sale by a party of the conveyed asset to the right holder and/or a purchase by a party of an additional ownership interest in the conveyed asset. All resulting liabilities and costs incurred after April 3, 2000 have been assumed by us.

Partnership Agreement

Partnership Governance

Our company is governed by a board of representatives that is comprised of four Verizon Communications representatives and three Vodafone representatives, so long as Verizon Communications and Vodafone each owns at least 20% of the partnership. Other than as described below, a majority of our board of representatives can make all decisions.

The partnership agreement provides that the following matters require approval by at least two representatives of each of Verizon Communications and Vodafone so long as Vodafone and its included affiliates, as defined under "--Restrictions on Transfer", owns at least 20% of the partnership:

- our engagement in any line of business or activity other than the business described below under "--Business of the Partnership" or any other business that is necessary, appropriate or incidental thereto;
- our voluntary dissolution or liquidation or similar actions, or any action contrary to the preservation and maintenance of our existence, rights, franchises and privileges as a Delaware general partnership;
- any acquisition or disposition or series of related acquisitions or dispositions of assets, net of liabilities, of the partnership, which in the aggregate have a fair market value in excess of 20% of the fair market value of all of our net assets on a consolidated basis;
- transactions, other than transactions under some existing agreements, between us and a partner or an affiliate of the partner having a value in excess of amounts that range between $10.0 million and $25.0 million, depending on the type of transaction, or having a term in excess of five years;
- the issuance by us of any partnership interests, or the admission of any partners to the partnership, other than issuances of partnership interests to, or the admission as a partner of members of the Verizon group, members of the Vodafone group or their respective permitted transferees in accordance with the provisions of the alliance agreement, the investment agreement or the partnership agreement;
- mergers, consolidations or similar transactions other than acquisitions by us that do not involve the issuance of partnership interests as consideration and for which approval would not otherwise be needed by any other provision;
- the redemption or repurchase by us of any partnership interests unless expressly permitted by the alliance agreement, the investment agreement or the partnership agreement;
- any amendment or modification to the partnership agreement, except for any amendment or modification to the current distribution policy after it expires;
- any capital contributions to us by any partner other than their initial capital contribution; and
- the selection, or any decision to remove, our independent auditors if they are also the principal independent auditor for Verizon Communications.

As a result of provisions summarized above, Vodafone has veto power over these significant actions.

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In addition, Vodafone has the right to appoint one of our significant officers so long as it holds at least 20% of our partnership interests. Mr. Halford, our Vice President and Chief Financial Officer, was selected by Vodafone.

Distributions

The partnership agreement requires that we make certain distributions to our partners related to taxes. We are also required, subject to compliance with financial tests, including a 2.5 to 1 leverage ratio and 5 to 1 interest coverage ratio (unless less restrictive ratios are selected by officers of our company), to pay additional distributions to our partners in an amount equal to 70% of our pre-tax net income from continuing operations plus amortization expense related to the amortization of intangible assets arising out of transactions contemplated by the alliance agreement, to the extent this amount exceeds the tax distribution. We made distributions of $691 million in February 2001, $862 million in August 2002 and $1,225 million in February 2003. Approximately $112 million of the distribution in February 2003 represented a supplemental distribution. We did not make scheduled distributions in August 2001 and February 2002 because the payments were limited by the 2.5 to 1 leverage ratio stipulated in the partnership agreement.

This distribution policy applies until the earlier to occur of (1) April 3, 2005 and (2) the date when Vodafone and its included affiliates cease to own, directly or indirectly, at least 20% of all outstanding partnership interests.

After the current distribution policy expires, we must continue tax distributions, and a new distribution policy is expected to be set that may provide for additional distributions above tax distributions. In making a decision on a new distribution policy, relevant factors, including our financial performance and capital requirements will be taken into account.

As an exception to the general allocation and distribution provisions in the partnership agreement, the partnership agreement provides that if we dispose of an asset with a built-in gain for tax purposes contributed at the first stage closing in April 2000 or that was contributed to the partnership in the second stage closing in July 2000, in accordance with applicable tax rules the taxable gain recognized on the disposition of such asset to the extent of the remaining original built-in gain in existence at the time of disposition will be specially allocated to the contributing partner. The partnership agreement also provides for a special distribution, and a special allocation of income, to the contributing partner in respect of such built-in gain.

Business of the Partnership

Unless otherwise approved by Verizon Communications and Vodafone, the partnership agreement limits our business to the acquisition, ownership, operation and maintenance, with the goal of maximizing long-term value, of a wireless communications network that provides a full range of wireless voice and data services, including wireless Internet access and long-distance resale, throughout the U.S. to the extent that these services are commercially economic or are competitively necessary, as well as any business necessary, appropriate or incidental to that business.

Non-competition

The partnership agreement provides that no partner or affiliate of a partner may engage in the provision of mobile telecommunications services, whether directly or as a reseller, in the U.S., but excluding Puerto Rico and its other possessions and territories, including mobile third generation services delivered over any wireless spectrum, other than through the partnership. These prohibitions generally do not restrict partners or their affiliates from the following:

- fixed wireless local loop or wireless telecommunications businesses engaged in by a partner or its affiliates as an adjunct to its wireline service offering, fixed wireless high speed data services, fixed wireless video services and satellite communications services;

- any wireless business opportunity that is rejected by our board of representatives so long as each of the representatives designated by that partner voted in favor of the partnership's pursuit of that business; provided that once that partner begins to pursue that business opportunity, the other partners may also do so;

- any wireless activity engaged in by an entity in which a partner owns

less than 40% of the total equity and with respect to which such partner does not have more than protective rights;

- any investment in any entity to the extent that it does not exceed 10% of the equity of that entity except as a result of equity repurchases or recapitalizations;

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- any wireless business acquired by Verizon Communications or Vodafone, or their respective affiliates, as part of a larger business combination where the wireless business does not represent more than 40% of the total value of the acquired business;

- any significant corporate transaction to which either Verizon Communications or Vodafone is a party and which results in a significant change in control of Verizon Communications or Vodafone;

- a partner from owning or acquiring specified assets identified in the alliance agreement; or

- a partner or any of its affiliates from selling the partnership's mobile telecommunications services (1) as an agent of the partnership or (2) on a "bundled" basis with wireline services, so long as the partner provides the partnership with the opportunity to purchase wireline services from the partner.

The partnership agreement provides that the non-competition provisions terminate upon the earliest of (1) the date the partnership interest held by Verizon Communications and its affiliates decreases to less than 40%, (2) the date the partnership interest held by Vodafone and its included affiliates decreases to less than 20% and (3) July 10, 2005, subject to repeated one-year extensions so long as Vodafone and its included affiliates hold at least 25% of our outstanding partnership interests.

Other than the non-compete provisions described above, the partnership agreement does not limit the businesses or activities of any partner even if those businesses or activities are competitive with us. The agreement further states that if a partner or its affiliates, officers, directors or employees acquire knowledge of a corporate opportunity that may be an opportunity for both us and that partner, it will not have any obligation to transmit the opportunity to us and will have no liability for choosing to pursue the opportunity itself.

Restrictions on Transfer

A partner generally does not have the right, directly or indirectly, to transfer any of the partnership interest held by that partner, other than the following permitted transfers:

- Transfers in accordance with the alliance agreement and the investment agreement.

- A partner does have the right, without the consent of the other partners, to transfer ownership of all or any part of its partnership interest to a wholly-owned subsidiary of the partner and to make transfers of 10% or more of its partnership interest, or up to three transfers totalling up to 10%, to any of its affiliates if 50% of the common equity and voting power in the affiliate is owned by the partner. Wholly-owned subsidiaries and these other affiliates who receive less than 10% of the partnership interests are referred to as "included affiliates." Verizon Communications, its subsidiaries and its affiliates that receive partnership interests in accordance with this paragraph are referred to as the Verizon Group, and Vodafone, its subsidiaries and affiliates who similarly receive partnership interests are referred to as the Vodafone group.

- Any partner may generally transfer a 10% or greater partnership interest to any single person, subject to rights of first refusal held by each other partner, that, together with its wholly-owned subsidiaries, owns more than 20% of our partnership interests. Sales by Verizon Communications and its affiliates are not subject to this right of first refusal. However, so long as Vodafone holds at least 30% of our total outstanding partnership interests, then Vodafone will have an option, at a price that would include a 2% premium, to purchase any partnership interest which Verizon Communications intends to transfer if, as a result of the transfer, a third party would succeed to Verizon Communication's representative designation rights or Verizon Communications or the transferee becomes unable to report their earnings and results of operations with those of the partnership on a consolidated basis.

Notwithstanding these exceptions, the partners may not sell partnership interests to specified major competitors of Verizon Communications or Vodafone.

A transferee of an amount of partnership interests equal to at least 25%

of our partnership interests from Vodafone and its wholly-owned subsidiaries is entitled, if so designated by Vodafone, to the rights of Vodafone contained in the partnership agreement and all references to Vodafone would then refer instead to the transferee. Any transferee of an amount of partnership interests equal to at least 20% of our partnership interests from Verizon Communications and its wholly-owned subsidiaries is entitled, if so designated by Verizon Communications, to the rights of Verizon Communications contained in the partnership agreement and all references to Verizon Communications would then refer instead to the transferee. Any transferee described in this paragraph is known as an "exit transferee," and any transfer to an exit transferee is subject to rights of first refusal as described above.

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The partnership agreement provides that defined instances of a "change in ownership" of a partner will be deemed to be a proposed transfer of the partnership interest to which some of the provisions relating to transfers of partnership interests will apply. Neither Verizon Communications' nor Vodafone's right to select representatives, or Vodafone's approval rights over significant decisions will be transferred to the new holder in the event of a change of control unless the holder is an exit transferee. A spin-off or split-off of an entity holding interests in us by Verizon Communications or Vodafone or their affiliates will not be considered a change in ownership if the partnership interests held by the entity constitute not more than 75% of the fair market value of the entity's assets.

Investment Agreement

On April 3, 2000, we, Verizon Communications and Vodafone entered into an investment agreement.

Vodafone's Put Right

Phase I option

The agreement permits Vodafone to require our company to repurchase from it and its included affiliates partnership interests at a price equal to their market value in July 2003 and/or July 2004. The aggregate amount that we are required to purchase upon exercise of this right may not exceed $10 billion.

Phase II option

The agreement permits Vodafone to require our company to repurchase from it and its included affiliates partnership interests at a price equal to their market value in July 2005, July 2006 and/or July 2007 in exchange for the consideration described below. The aggregate amount that we are required to purchase upon exercise of this right may not exceed $20 billion less the amount paid in connection with any exercises of the right described in the prior paragraph. In addition, no single exercise of the right may be for an amount in excess of $10 billion.

Market value will be determined on the date when the notice of exercise is sent. In determining the market value of Vodafone's interests, we will use an amount agreed to by Verizon Communications and Vodafone or, if they cannot agree, the amount determined by arbitrators. If there has been an initial public offering, the market value will be determined by reference to the trading price of common stock of our managing general partner. The percentage of Vodafone's interest in the partnership to be sold, in connection with an exercise, shall be reduced to reflect accretion in the market value between the date of the notice and the date of settlement at a rate equal to LIBOR plus 1.0% for the first 30 days and LIBOR plus 2.0% thereafter less any distributions declared by Verizon Wireless and paid to Vodafone with respect to the interest being sold subsequent to the notice. In the event Vodafone seeks to exercise the option for an amount greater than its total ownership, we are required to pay it the value of all of its interests plus for the period between the date of notice and the date of settlement an amount equal to LIBOR plus 1.0% for the first 30 days and LIBOR plus 2.0% thereafter less any distribution declared by Verizon Wireless and paid to Vodafone with respect to the interest being sold subsequent to the notice.

Verizon Communications' obligations

Under the agreement, Verizon Communications has the right to obligate itself or its designee, rather than us, to purchase some or all of the interests covered by the options described above. However, even if Verizon Communications exercises this right, Vodafone has the option to require us to purchase up to $7.5 billion of interests in connection with the phase II option in the form of assumed debt or other consideration, as described below under "--Consideration to be paid upon exercise of the option." In addition, Verizon Communications is obligated to purchase interests that we fail to repurchase, but its liability for all these failures cannot exceed $5 billion for the phase I option or $10 billion for the phase II option less amounts paid in respect of the phase I option.

Consideration to be paid upon exercise of the option

Verizon Communications will have the right to deliver to Vodafone cash or, at Verizon Communications' option, shares of Verizon Communications common stock. Verizon Communications will be required to grant registration rights to Vodafone with respect to any of these shares of common stock.

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We will be required to pay cash. However, in connection with up to $7.5 billion of interests to be purchased pursuant to the phase II option, Vodafone may require us to assume debt of Vodafone or its designee, or incur debt and distribute the proceeds to Vodafone or its designee. The debt:

- shall be provided by a third-party lender;
- shall mature 10 years after the date of exercise of the option and not require any amortization of principal for at least eight years;
- shall be redeemable at the partnership's option after eight years;
- except as stated below, shall be nonrecourse to any existing or future partners of the partnership; and
- may be guaranteed, at Vodafone's sole option, by Vodafone or its designee.

We will not be permitted to make any prepayments, voluntarily take any action that would result in acceleration of the debt or waive any rights or provide any guarantee or similar credit enhancement for a period of eight years if the result would be to cause the debt to be allocated under Internal Revenue Code Section 752 to persons other than persons from which the assumed debt was assumed.

In lieu of requiring us to assume debt, Vodafone may elect to receive such amount pursuant to an alternative structure that would be more tax-efficient for it and would not have a material adverse effect on us. Vodafone will be required to reimburse Verizon Communications for any resulting postponement in the realization of tax benefits.

We and Verizon Communications are also required to cooperate to change the above-described structure if an alternative structure would have more favorable tax consequences for Vodafone so long as we and Verizon Communications would not be adversely affected or would be indemnified for any losses caused by the change.

Initial Public Offering

The agreement prohibits any direct or indirect public offering of ownership interests in the partnership except issuances of stock by a newly created general partner as described below or in the form of a tracking stock or other shares of stock issued by Verizon Communications or Vodafone.

Verizon Communications has the right at any time to monetize all or part of its investment in us by causing an initial public offering of our equity, and Vodafone has a similar right beginning in April 2003. The initial public offering would occur through the creation of a general partner that would issue the equity and transfer the proceeds to the selling holder in exchange for partnership interests. The initiating party is required to propose a structure that preserves our partnership status for tax purposes, does not make us or the public offering vehicle a registered investment company and does not modify in any material respect the allocation of governance or economic rights in us. The agreement provides that holders of partnership interests must be permitted to exchange their interests for shares of common stock of the initial public offering vehicle. We had previously announced our intention to undertake an initial public offering of indirect ownership interests in the partnership, subject to market and other conditions. The offering would have been effectuated by Verizon Wireless Inc., a newly formed company that would have contributed the proceeds of its initial public offering of common stock to us in exchange for a partnership interest and becoming our managing general partner. Verizon Wireless Inc. filed a Form S-1 registration statement for the offering with the Securities and Exchange Commission on August 24, 2000 and an amendment to the registration statement on November 28, 2001. Verizon Wireless Inc. withdrew the registration statement on January 29, 2003, stating that the company currently had no significant funding needs that would require it to consummate the offering.

Registration Rights

Any new general partner formed as described above must grant registration rights to Verizon Communications and Vodafone requiring it to register shares of its common stock issued to them in exchange for partnership interests. It will be required to use best efforts to register under the Securities Act any of those shares of common stock for sale in accordance with the intended method of disposition, subject to customary deferral rights. Each holder will have an unlimited number of demand registration rights, but no demand may be made

unless the shares to be registered have a market value on the demand date of at least $200 million. In addition, the holders will have the right to include their shares in other registrations of equity securities other than on Form S-4 or S-8, subject to customary cutback provisions, although Verizon Communications and Vodafone are cut back only after all other holders, including holders exercising their own demand rights, are cut back.

In addition, the agreement provides that the partnership is required to pay all registration expenses, including all filing fees and other fees and expenses, other than underwriting discounts and commissions and the fees of counsel, accountants or other persons retained by the holders. The agreement also contains customary indemnification and contribution provisions.

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Verizon Communications Intellectual Property Arrangements

Patents

Subsidiaries of Verizon Communications own various patents related to the provision of wireless services. Under a license agreement, the subsidiaries have granted us a perpetual, irrevocable, non-exclusive and non-transferable license to use some of these patents and related know-how in connection with the manufacture, sale and import of wireless telecommunications goods and services in the U.S., its territories and possessions. We also have the right to sublicense this property to resellers, vendors, agents, distributors, exclusive dealers and similar persons. We are not required to pay any royalties for use of these patents.

Pursuant to the alliance agreement, Verizon Communications will license or transfer to us its rights to GTE Wireless patents regarding the provision of wireless services used exclusively by GTE Wireless previously in its business in the U.S.

Trademarks and Domain Names

Verizon Communications has licensed trademarks, service marks, trade names and domain names to us. We are not required to pay any royalties or fees for use of these trademarks, service marks, trade names and domain names. Most notably, Verizon Communications owns the "Verizon" and "Verizon Wireless" brand names and some service offering names. The license agreements grant non-exclusive, non-transferable licenses to use the trademarks, service marks, trade name and domain names in connection with the marketing, advertising, sale and provision of wireless communications goods and services in the U.S., its territories and possessions. We also have the right to sublicense this intellectual property to resellers, vendors, agents, distributors, exclusive dealers and similar persons. The licenses include quality control standards governing our use of the intellectual property.

The license to use the "Verizon" and "Verizon Wireless" brand names will expire 2 1/2 years after the first day an alternate brand is adopted or Verizon Communications ceases to own any interest in the partnership. Verizon Communications may also terminate upon breach or insolvency or upon our failure to perform any material obligations under the license. In addition, pursuant to the alliance agreement between Verizon Communications and Vodafone, we are required to change our brand name and discontinue the use of any trademarks owned by Verizon Communications at any time if we are directed to do so by Verizon Communications.

The license to use some service offering marks will terminate on the date that Verizon Communications ceases to own any interest in the partnership. This license may also be terminated upon 30 days written notice in the event of the partnership's breach or insolvency.

Pursuant to the alliance agreement, Verizon Communications will license or transfer to us its rights to various GTE Wireless trademarks, service marks, trade names and other intellectual property regarding the provision of wireless services.

Vodafone Intellectual Property Arrangements

Patents

Vodafone Americas, Inc., formerly AirTouch, has assigned various patents regarding the provision of wireless services outright to us or another subsidiary of Verizon Communications. We have granted back to AirTouch a royalty free, perpetual, non-exclusive worldwide license to the patents, with the right to sublicense them to third parties. We have agreed that we will not license or otherwise transfer the patents to Verizon Communications, including its other affiliates and subsidiaries, without AirTouch's prior written permission.

Software License Agreement

Vodafone Americas, Inc., formerly AirTouch, has also irrevocably assigned and transferred to us some of its software and related rights. We have granted back to AirTouch a perpetual worldwide, irrevocable, royalty-free, non-exclusive transferable license to sell, use, copy and otherwise fully exploit the software.

Tower Arrangements

We generally lease or pay a monthly fee for, rather than own or control, the tower space on which our antennas are located. Prior to the formation of the partnership, Bell Atlantic Mobile, GTE Wireless and Vodafone each entered into separate

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transactions with different tower management companies to sell or lease on a long-term basis the majority of their communications towers and related assets. In connection with each of these transactions, Bell Atlantic Mobile, GTE Wireless and Vodafone either entered into global leases for, or reserved antenna space on, each of the towers in exchange for a monthly rental or site maintenance payment. The tower companies are also required to build and manage future towers on which our antennas will be located. In two of the agreements, the tower company entered into a joint venture with one of our partners. Each of the tower monetization transactions with those joint ventures is summarized below:

Bell Atlantic Mobile

In March 1999, Bell Atlantic Mobile formed a joint venture with Crown Castle to own and operate approximately 1,500 towers, representing substantially all the towers then owned by Bell Atlantic Mobile. The joint venture is controlled and managed by Crown Castle, which owns a controlling interest of 58%, while a subsidiary of Verizon Communications owns a minority interest of 42%. Under the agreement, the joint venture was entitled to build and own the first 500 towers built for Bell Atlantic Mobile's wireless network after the date of the agreement; however, the parties agreed to end their obligations related to such towers in 2002. The joint venture leases antenna space on the towers to us at monthly rates ranging from $1,585 to $2,325 per tower, with annual increases of 3% or the percentage increase in the consumer price index, whichever is greater.

GTE Wireless

In January 2000, GTE Wireless formed a joint venture with Crown Castle to own and operate approximately 2,300 towers, representing substantially all the towers then owned by GTE Wireless not including the towers purchased as part of the Ameritech properties acquisition. The joint venture is controlled and managed by Crown Castle, which owns a controlling interest of 80.1%, while a subsidiary of Verizon Communications owns a minority interest of 19.9%. Under the agreement, the joint venture was entitled to build and own the first 500 towers built for GTE Wireless' network after the date of the agreement; however, the parties agreed to end their obligations related to such towers in 2002. The joint venture leases antenna space on the towers to us at the monthly rate of $1,400 per tower, with annual increases of 4%. At the same time, GTE Wireless and Crown Castle also signed a letter agreement giving GTE Wireless the right to contribute up to 600 towers acquired as part of the acquisition of the Ameritech properties on substantially the same terms and conditions described above which transaction closed in August 2000.

Vodafone

In August 1999, AirTouch Cellular signed a definitive agreement with American Tower Corporation for the sublease of all unused space on approximately 2,100 of its communications towers, in exchange for approximately $800 million plus a five-year warrant to purchase three million American Tower shares at $22 per share. In February 2000, AirTouch Cellular also signed a definitive agreement with SpectraSite Holdings, Inc. for the sublease of unused space on approximately 430 of its towers in exchange for $155 million. As of December 31, 2002, approximately 2,200 towers have been subleased, at the monthly rate of $2,000 per tower. Management believes that the remaining towers will not be subleased. The tower sublease agreements require monthly maintenance fees for the existing physical space used by our cellular equipment. Vodafone also entered into exclusive three-year build-to-suit agreements with American Tower and SpectraSite to produce new towers in strategic locations. The build-to-suit agreements were assumed by us upon the closing of the AirTouch Properties acquisition; however the parties agreed to terminate the build-to-suit agreement with SpectraSite in 2002. The build-to-suit agreement with American Tower expired in January, 2003.

Upon the formation of the partnership, Verizon Communications and Vodafone agreed that proceeds from tower monetization transactions entered into prior to April 3, 2000 are excluded from the assets of the partnership. The partners further agreed that they could cause us to enter into further tower monetization transactions with respect to towers contributed to us by such partners, excluding any towers previously used by PrimeCo. The proceeds from these transactions were to be excluded from the assets of the partnership if the transaction was entered into by April 3, 2001 and is consummated by April 3, 2003, although we would be liable for the financial obligations incurred in those transactions. No such additional tower monetization transactions were entered into.

Financing Arrangements

In connection with the alliance agreement, Verizon Communications and Vodafone contributed to us approximately $9.5 billion of debt, including $5.5 billion of intercompany obligations incurred by Verizon Communications subsidiaries and $4 billion from Vodafone.

Existing intercompany loans and any additional intercompany loans that may be made to us to fund future debt financing requirements will be provided by Verizon Communications or its affiliates at interest rates and other terms that will be no less

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favorable than the interest rates and other terms that we would be able to obtain from third parties, including the public markets, without the benefit of a guaranty by Verizon Communications or any of its affiliates. As of December 31, 2002, the partnership had approximately $9.4 billion of outstanding indebtedness borrowed from affiliates of Verizon Communications at a weighted average interest rate of 5.6%. This includes a $350 million term note from an affiliate of Verizon Communications that bears a fixed interest rate of approximately 8.9% per year. This term note was made in connection with our acquisition of the wireless assets of Price Communications Wireless on August 15, 2002. It is guaranteed by Price Communications Wireless and matures on the earlier of February 15, 2007 or six months following the occurrence of certain specified events. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources--Debt Service."

We had agreements with an entity owned by Verizon Communications and Vodafone that operated overlapping properties in Chicago, Houston and Richmond that we were required to dispose of pursuant to FCC regulations and which has since been sold. Pursuant to the agreements, we provided transition services and products and employee services and licensed trademarks and copyrighted materials. As of December 31, 2002, the entity has incurred charges and has an outstanding balance due of approximately $202 million, including interest.

Other Services Provided to Verizon Communications

Since our formation, we have provided tax services to Verizon Communications related to resolving tax disputes and controversies relating to periods prior to our formation. For the year ended December 31, 2001 we have charged Verizon Communications a total of $0.6 million for these services. Tax services provided to Verizon Communications were immaterial for the twelve months ended December 31, 2002.

For the years ended December 31, 2000, 2001 and 2002, in the normal course of business, we recorded revenues related to transactions with Verizon Communications affiliated companies of $51 million, $39 million and $20 million, respectively.

Other Services Provided by Verizon Communications

Direct Telecommunication and Data Processing

We incurred direct telecommunication and data processing charges of $272 million, $201 million and $281 million for the years ended December 31, 2000, 2001 and 2002, respectively, for services provided by subsidiaries and affiliates of Verizon Communications including, but not limited to the following services: telephone, network interconnection, switching and directory assistance.

General Services

We have agreements with Verizon Communication subsidiaries and affiliates, primarily relating to former GTE entities, for the provision of general management and administrative services, including but not limited to payroll, accounts payable, legal management, tax, accounting, procurement, inventory management, real estate and information technology services. We incurred total charges of approximately $142 million, $31 million and $30 million for the years ended December 31, 2000, 2001 and 2002, respectively for general management and administrative services. Our need for these services has decreased as a result of the combination of the businesses that form Verizon Wireless, as many of these services were provided to GTE Wireless entities, which had less of a management infrastructure than we currently have.

Billing Services

We incurred charges of approximately $49 million for the year ended December 31, 2000, respectively, for bill preparation and printing services provided by a subsidiary of Verizon Communications. Effective January 2001, an independent third party provided all bill preparation and printing services for us.

Roaming and Clearinghouse Services

We incurred charges of approximately $24 million and $62 million for the years ended December 31, 2000 and 2001, respectively, for roaming settlement, fraud detection and call clearinghouse services provided by GTE Telecommunications Services Incorporated, a subsidiary of Verizon Communications. In February 2002, that subsidiary was sold to an unrelated

third-party.

We have entered into a roaming agreement with a subsidiary of Verizon Communications to permit our subscribers to use its network in Puerto Rico, where we do not have a license to provide services, and to permit its subscribers to roam on our

network. Under the agreement, we paid $1.5 million, $0.9 million and $1.4 million for the years ended December 31, 2000, 2001, and 2002, and received $1 million, $2.6 million and $1.4 million for the years ended 2000, 2001 and 2002, respectively.

Leases

We incurred charges of approximately $2 million, $3 million and $2 million for the years ended December 31, 2000, 2001 and 2002, respectively, for leases for company vehicles and buildings from subsidiaries of Verizon Communications.

Sales and Distribution Services

We incurred charges of $8 million, $5 million and $18 million for the years ended December 31, 2000, 2001 and 2002, respectively, for commissions and other sales expenses related to the sale and distribution of our products and services by subsidiaries and affiliates of Verizon Communications.

Lockbox Services

We currently purchase lockbox services from Verizon Communications at market rates. For the years ended December 31, 2000, 2001 and 2002, in the normal course of business, we made lockbox payments of $5 million, $5 million and $11 million, respectively.

Insurance

We currently purchase property and casualty insurance from affiliates of Verizon Communications at market rates. For the years ended December 31, 2000, 2001 and 2002, in the normal course of business, we paid $4 million, $8 million and $17 million, respectively.

Warranty Repairs

We incurred charges of approximately $1 million and $2 million for the years ended December 31, 2001 and 2002, respectively, for warranty repairs on cellular handsets provided by Verizon Logistics, a subsidiary of Verizon Communications.

Other Agreements

In April 2002, Cellco Partnership sold all of its rights in eight A-block 10 MHz Wireless Communications Service licenses to an affiliate of Verizon Communications for a purchase price of $5 million.

Item 14. Controls and Procedures

(a) Evaluation of disclosure controls and procedures. We first became subject to reporting requirements under the Securities Exchange Act of 1934 in October 2002, when our registration statement on Form S-4 was declared effective. We implemented disclosure controls and procedures (as defined below) beginning at such time.

Our chief executive officer and chief financial officer have evaluated the effectiveness of the registrant's disclosure controls and procedures (as defined in Rules 13a-14(c) and 15d-14(c) of the Securities Exchange Act of 1934), as of a date within 90 days of the filing date of this annual report (the "Evaluation Date"). They have concluded that as of the Evaluation Date, the registrant's disclosure controls and procedures were adequate and effective to ensure that material information relating to the registrant and its consolidated subsidiaries would be made known to them by others within those entities, particularly during the period in which this annual report was being prepared.

(b) Changes in internal controls. There were no significant changes in the registrant's internal controls or in other factors that could significantly affect these controls subsequent to the Evaluation Date, nor were there any significant deficiencies or material weaknesses in these controls requiring corrective actions.

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PART IV

Item 15. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) Documents filed as part of this report:

Exhibit Number

3.3 Cellco Partnership Amended and Restated Partnership Agreement dated as of April 3, 2000 (incorporated by reference to Verizon Wireless Inc. Form S-1 (No.333-44394))

3.3.1 Amendment and Joinder to Cellco Partnership Amended and Restated Partnership Agreement dated as of July 10, 2000 (incorporated by reference to Cellco's Form S-4 (No. 333-92214))

4.1 Indenture dated as of December 17, 2001 among Cellco Partnership and Verizon Wireless Capital LLC as Issuers and First Union National Bank as Trustee (incorporated by reference to Cellco's Form S-4 (No. 333-92214))

4.2 Form of global certificate representing the Floating Rate Notes due 2003 (incorporated by reference to Cellco's Form S-4 (No. 333-92214))

4.3 Form of global certificate representing the 5.375%Notes due 2006 (incorporated by reference to Cellco's Form S-4 (No. 333-92214))

10.1 U.S. Wireless Alliance Agreement dated September 21, 1999 (incorporated by reference to Bell Atlantic Corporation Form 10-Q for quarter ended September 30, 1999)

10.2 Amendment to U.S. Wireless Alliance Agreement dated as of April 3,2000 (incorporated by reference to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.3 Investment Agreement dated as of April 3, 2000 among Vodafone AirTouch Plc, Bell Atlantic Corporation and Cellco Partnership (incorporated by reference to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.4 Settlement Strategy Agreement dated as of September 21, 1999 by and between Vodafone AirTouch Plc and Bell Atlantic Corporation (incorporated by reference to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.5 Amendment to Settlement Strategy Agreement dated as of April 3, 2000 (incorporated by reference to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.6 Form of Indemnity Agreement related to dispositions of conflicted systems (incorporated by reference to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.7 Secondment Agreement among Vodafone AirTouch Plc, Bell Atlantic Corporation and Cellco Partnership (incorporated by reference to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.8 Bell Atlantic Stock Option Program (incorporated by reference to Amendment No.1 to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.9 Software Assignment and License Agreement dated as of April 3, 2000 between AirTouch Communications, Inc. and Cellco Partnership (incorporated by reference to Amendment No.1 to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.10 Intellectual Property Assignment dated as of April 3, 2000 between AirTouch Communications, Inc. and Cellco Partnership (incorporated by reference to Amendment No.1 to Verizon Wireless Inc. Form S-1 (No.333-44394))

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10.11 Patent License Agreement dated as of April 3, 2000 between AirTouch Communications, Inc. and Cellco Partnership (incorporated by reference to Amendment No.1 to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.12 Transition Services Agreement dated as of April 3, 2000 between Vodafone AirTouch Plc and Cellco Partnership (incorporated by reference to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.13 Patent License Agreement dated as of April 3, 2000 between Bell Atlantic Cellular Holdings, L.P. and NYNEX PCS Inc. (collectively, "Licensors"), and Cellco Partnership (incorporated by reference to Amendment No.1 to Verizon Wireless Inc. Form S-1 (No.333-44394)).

10.14 Trademark and Domain License Agreement dated as of April 3, 2000 between Licensors and Cellco Partnership (incorporated by reference to Amendment No.1 to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.15 Trademark and Domain License Agreement dated as of April 3, 2000 between Licensors and Cellco Partnership (incorporated by reference to Amendment No.1 to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.16 Trademark and Domain License Agreement dated as of April 3, 2000 between Licensors and Cellco Partnership (incorporated by reference to Amendment No.1 to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.17 Trademark and Domain Name License Agreement dated as of April 3, 2000 between AirTouch Communications, Inc. and Cellco Partnership (incorporated by reference to Amendment No.1 to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.18 Verizon Wireless Executive Savings Plan, as amended and restated, effective January 1, 2001 (incorporated by reference to Amendment No.1 to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.19 [Reserved]

10.20 Bell Atlantic NYNEX Mobile Executive Transition and Retention Retirement Plan, as amended and restated, effective May 19, 2000 (incorporated by reference to Amendment No.1 to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.21 Vodafone Americas Asia Inc. Deferred Compensation Plan (formerly AirTouch Communications Deferred Compensation Plan), as amended and restated, effective as of June 1, 1998 (incorporated by reference to Amendment No.1 to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.22 Employment contract dated November 2, 2000 between Dennis Strigl and Verizon Wireless Inc. (incorporated by reference to Verizon Communications Inc. Exhibit 10f to Form 10-Q for the period ended September 30, 2000 (No. 001-08606))

10.23 International assignment agreement effective as of April 1, 2002 between Andrew Halford and Vodafone Group Services Ltd.

10.24 Employment agreement effective as of April 3, 2000 between Lowell McAdam and Cellco Partnership (incorporated by reference to Amendment No.1 to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.25 Employment agreement effective as of April 3, 2000 between Richard Lynch and Cellco Partnership (incorporated by reference to Amendment No.1 to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.26 Employment agreement effective as of April 3, 2000 between S. Mark Tuller and Cellco Partnership (incorporated by reference to Amendment No.1 to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.27 [Reserved]

10.28 [Reserved]

10.29 Transaction Agreement dated as of December 18, 2001 among Price Communications Corporation, Price Communications Cellular Inc., Price Communications Cellular Holdings, Inc., Price Communications Wireless, Inc., Cellco Partnership and Verizon Wireless of the East LP (Filed as Exhibit 10.1 to Price Communications Corporation 's Current Report on Form 8-K dated as of December 18, 2001 and incorporated by reference herein)

10.30 Vodafone Group Pension Scheme Second Definitive Deed and Rules dated May 28, 1999 (incorporated by reference to Amendment No.1 to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.31 [Reserved]

10.32 Vodafone Group Profit Sharing Scheme Trust Deed dated September 29, 1992 (incorporated by reference to Amendment No.1 to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.33 Vodafone Group Profit Sharing Scheme Supplemental Deed to the Trust Deed dated March 27, 1998 (incorporated by reference to Amendment No.1 to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.34 Rules of the Vodafone Group 1998 Executive Share Option Scheme (July 1998,Final Version) (incorporated by reference to Amendment No.1 to Verizon Wireless Inc. Form S-1 (No.333-44394))

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10.35 The Rules of the Vodafone Group Plc Share Option Scheme, as approved on September 14, 1988 and amended from time to time (incorporated by reference to Amendment No.1 to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.36 Definitive Agreement between Cellco Partnership and Lucent Technologies Inc. dated March 16, 2001 (1)

10.37 2000 Verizon Wireless Long-Term Incentive Plan as amended and restated effective July 10, 2000 (incorporated by reference to Amendment No.1 to Verizon Wireless Inc. Form S-1 (No.333-44394))

10.38 [Reserved]

10.39 Amendment No.1 to the Transaction Agreement (previously filed as an exhibit to Verizon Wireless of the East LP 's Registration Statement on Form S-4 filed on May 31, 2002 (No.333- 82408 and 333-82408-01) and incorporated by reference herein).

10.40 Letter Agreement dated July 16, 2002 among Price Communications Corporation, Price Communications Cellular Inc., Price Communications Cellular Holdings, Inc., Price Communications Wireless, Inc., Cellco Partnership and Verizon Wireless of the East LP, amending the Transaction Agreement (previously filed as an exhibit to Verizon Wireless of the East LP 's Quarterly Report on Form 10-Q filed on August 14, 2002 and incorporated by reference herein).

10.41 Letter Agreement dated August 9, 2002 among Price Communications Corporation, Price Communications Cellular Inc., Price Communications Cellular Holdings, Inc., Price Communications Wireless, Inc., Verizon Communications Inc., Verizon Wireless Inc., Cellco Partnership and Verizon Wireless of the East LP and Verizon Communications Inc., amending the Transaction Agreement (previously filed as an exhibit to Verizon Wireless of the East LP's Quarterly Report on Form 10-Q filed on August 14,2002 and incorporated by reference herein).

10.42 Letter Agreement dated August 15, 2002 among Price Communications Corporation, Price Communications Cellular Inc., Price Communications Cellular Holdings, Inc., Price Communications Wireless, Inc., Cellco Partnership and Verizon Wireless of the East LP, amending the Transaction Agreement (previously filed as an exhibit to Verizon Wireless of the East LP 's Current Report on Form 8-K filed August 26,2002 and incorporated by reference herein)

10.43 Promissory Note dated August 15, 2002 made by Verizon Wireless of the East LP and payable to Verizon Investments Inc. in the principal amount of $350 million (previously filed as an exhibit to Verizon Wireless of the East LP's Current Report on Form 8-K filed August 26, 2002 and incorporated by reference herein)

10.44 Verizon Communications Inc. Verizon Income Deferral Plan, effective January 1, 2002 (incorporated by reference to Verizon Communications Inc. Form 10-Q for the period ended June 30, 2002 (No. 001-08606))

10.45 Vodafone Group Plc 1999 Long Term Stock Incentive Plan (incorporated by reference to Vodafone Group Plc Annual Report on Form 20-F for the financial year ended March 31, 2001 (No. 001-10086))

10.46 Bell Atlantic Executive Management Retirement Income Plan (restated as of January 1, 1996)

10.47 Verizon Wireless Retirement Plan, as amended and restated, effective January 1, 2001

10.48 Verizon Enterprises Management Pension Plan, as amended and restated, effective January 1, 2002

10.49 Verizon Communications Inc. Long-Term Incentive Plan (incorporated by reference to Verizon Communications Inc. 2001 Proxy Statement filed March 12, 2001 (No. 001-08606))

12 Computation of Ratio of Earnings to Fixed Charges

21 Subsidiaries of the Company

24 Powers of Attorney

99.1 Section 906 Certification of the Chief Executive Officer

99.2 Section 906 Certification of the Chief Financial Officer

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(1) Confidential materials appearing in this document have been omitted and filed separately with the Securities and Exchange Commission in accordance with the Securities Act of 1933, as amended, and Rule 406 promulgated thereunder. Omitted information has been replaced with asterisks.

(b) Current Reports on Form 8-K filed during the quarter ended December 31, 2002:

On November 20, 2002, we filed a Form 8-K under Item 9 providing the certifications of the CEO and CFO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350.

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INDEPENDENT AUDITORS' REPORT

To the Board of Representatives and Partners of
Cellco Partnership d/b/a Verizon Wireless

We have audited the accompanying consolidated balance sheets of Cellco Partnership d/b/a Verizon Wireless (the "Partnership") as of December 31, 2002 and 2001, and the related consolidated statements of operations and comprehensive income, partners' capital, and cash flows for each of the three years in the period ended December 31, 2002. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Partnership as of December 31, 2002 and 2001, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2002 in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3 to the consolidated financial statements, in 2002 the Partnership adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets." As discussed in Note 9 to the consolidated financial statements, in 2001 the Partnership adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities."

/s/ Deloitte & Touche LLP
New York, New York
January 28, 2003
(March 4, 2003 as to Note 16)

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CELLCO PARTNERSHIP
(d/b/a Verizon Wireless)
Consolidated Statements of Operations and
Comprehensive Income
(in Millions)

FOR THE YEARS ENDED DECEMBER 31,	2002	2001	2000
OPERATING REVENUE			
Service revenue	$ 17,747	$ 16,011	$ 13,000
Equipment and other	1,513	1,382	1,222
Total operating revenue	19,260	17,393	14,222
OPERATING COSTS AND EXPENSES			
Cost of service (excluding depreciation and amortization related to network assets included below)	2,788	2,651	2,398
Cost of equipment	2,669	2,434	2,023
Selling, general and administrative	7,029	6,525	5,505
Depreciation and amortization	3,293	3,709	2,897
Sales of assets, net	(7)	9	(859)
Total operating costs and expenses	15,772	15,328	11,964
Operating income	3,488	2,065	2,258
OTHER INCOME (EXPENSES)			
Interest expense, net	(602)	(642)	(507)
Minority interests	(127)	(60)	(136)
Equity in income of unconsolidated entities	14	6	57
Other, net	4	(3)	5
Income before provision for income taxes and cumulative effect of a change in accounting principle	2,777	1,366	1,677
Provision for income taxes	(193)	(62)	(149)
Income before cumulative effect of a change in accounting principle	2,584	1,304	1,528
Cumulative effect of a change in accounting principle	-	(4)	-
NET INCOME	2,584	1,300	1,528
OTHER COMPREHENSIVE INCOME (LOSS)			
Unrealized loss on derivative financial instruments	-	(2)	-
Minimum pension liability adjustments	(3)	-	-
COMPREHENSIVE INCOME	$ 2,581	$ 1,298	$ 1,528

See Notes to Consolidated Financial Statements

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CELLCO PARTNERSHIP
(d/b/a Verizon Wireless)
Consolidated Balance Sheets
(in Millions)

AS OF DECEMBER 31,	2002	2001
ASSETS		
Current assets		
Cash	$ 124	$ 198
Accounts receivable, net of allowances of $257 and $288	1,679	1,858
Unbilled revenue	369	335
Other receivables, net	309	243
Inventories, net	331	615
Prepaid expenses and other current assets	404	428
Total current assets	3,216	3,677
Property, plant and equipment, net	17,688	15,966
Wireless licenses, net	40,014	37,741
Other intangibles, net	1,594	2,073
Investments in unconsolidated entities	225	222
Deferred charges and other assets, net	449	471
Total assets	$ 63,186	$ 60,150
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities		
Short-term obligations, including current maturities	$ 1,576	$ 458
Due to affiliates, net	6,580	8,359
Accounts payable and accrued liabilities	2,618	2,584
Advance billings	536	475
Other current liabilities	139	90
Total current liabilities	11,449	11,966
Long-term debt	2,569	4,099
Due to affiliates	2,781	2,431
Deferred tax liabilities, net	4,165	2,424
Other non-current liabilities	358	320
Total liabilities	21,322	21,240
Minority interests in consolidated entities	1,575	365
Partner's capital subject to redemption	20,000	20,000
Commitments and contingencies (see Note 15)		
Partners' capital		
Capital	20,294	18,547
Accumulated other comprehensive loss	(5)	(2)
Total partners' capital	20,289	18,545
Total liabilities and partners' capital	$ 63,186	$ 60,150

See Notes to Consolidated Financial Statements

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CELLCO PARTNERSHIP
(d/b/a Verizon Wireless)
Consolidated Statements of Cash Flows
(in Millions)

<TABLE>

FOR THE YEARS ENDED DECEMBER 31,	2002	2001	2000
<S>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 2,584	$ 1,300	$ 1,528
Add: Cumulative effect of a change in accounting principle	-	4	-
Income before cumulative effect of a change in accounting principle	2,584	1,304	1,528
Adjustments to reconcile income before cumulative effect of a change in accounting principle to net cash provided by operating activities:			
Depreciation and amortization	3,293	3,709	2,897
Provision for losses on accounts receivable, net of recoveries	442	649	470
Provision (benefit) for deferred income taxes	59	(49)	(61)
Equity in income of unconsolidated entities	(14)	(6)	(57)
Minority interests	127	60	136
Net (gain) loss on disposal of property, plant and equipment	(4)	9	11
Net gain on sale of other assets	(3)	-	(850)
Mark-to-market adjustment - financial instruments	-	4	-
Changes in certain assets and liabilities (net of the effects of purchased and disposed businesses):			
Receivables and unbilled revenue, net	(369)	(978)	(791)
Inventories, net	285	(19)	(251)
Prepaid expenses and other current assets	39	(207)	1
Deferred charges and other assets	(50)	(23)	71
Accounts payable and accrued liabilities	36	(61)	173
Other current liabilities	83	86	38
Other operating activities, net	61	3	(39)
Net cash provided by operating activities	6,569	4,481	3,276
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	(4,354)	(5,006)	(4,908)
Proceeds from sale of property, plant and equipment	11	-	21
Acquisitions of businesses and licenses, net of cash acquired	(774)	(626)	(1,620)
Wireless licenses refund (payment)	1,740	(1,691)	(131)
Investments in and contributions to unconsolidated entities	-	-	(46)
Distributions from unconsolidated entities	11	9	65
Purchase of minority interests	-	-	(209)
Proceeds from sale of other assets	5	3	1,298
Net cash used in investing activities	(3,361)	(7,311)	(5,530)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net (payments to) proceeds from affiliates	(1,349)	3,773	2,022
Net change in short-term obligations	(436)	(34)	(33)
Issuance of long-term debt	-	4,592	784
Repayments of long-term debt, net	(584)	(4,679)	(43)
Issuance of notes receivable - affiliate	-	-	(68)
Distribution to partners	(862)	(691)	(223)
Contributions from minority investors	6	1	86
Distribution to minority investors	(57)	(21)	(235)
Other financing activities, net	-	-	(3)
Net cash (used in) provided by financing activities	(3,282)	2,941	2,287
(Decrease) increase in cash	(74)	111	33
Cash, beginning of year	198	87	54
Cash, end of year	$ 124	$ 198	$ 87

</TABLE>

See Notes to Consolidated Financial Statements

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CELLCO PARTNERSHIP
(d/b/a Verizon Wireless)
Consolidated Statements of Partners' Capital
(in Millions)

<TABLE>

<S>	<C>
Partners' capital at January 1, 2000	$ 7,340
Net income	1,528
Partnership interests issued in connection with Vodafone acquisition	8,000
Distribution to partners, net	(393)
Partners' capital at December 31, 2000	16,475
Net income	1,300
Contributions from partners, net	772
Accumulated other comprehensive loss	(2)
Partners' capital at December 31, 2001	18,545
Net income	2,584
Distribution to partners, net	(837)
Accumulated other comprehensive loss	(3)
Partners' capital at December 31, 2002	$ 20,289

</TABLE>

See Notes to Consolidated Financial Statements

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CELLCO PARTNERSHIP
(d/b/a Verizon Wireless)
Notes to Consolidated Financial Statements

1. Formation of Verizon Wireless and Description of the Business

Formation of Verizon Wireless

Cellco Partnership (the "Partnership"), formerly doing business as Bell Atlantic Mobile ("BAM"), was a general partnership formed by Bell Atlantic Corporation ("Bell Atlantic") and the former NYNEX Corporation ("NYNEX"), which began conducting business operations on July 1, 1995. On August 14, 1997, Bell Atlantic and NYNEX merged into one company, Bell Atlantic. Subsequent to the merger, Bell Atlantic held an indirect aggregate ownership interest of 100% in the Partnership.

On April 3, 2000, Bell Atlantic and Vodafone Group Plc ("Vodafone") consummated their previously announced agreement to combine their U.S. wireless operations. In accordance with the terms of the U.S. Wireless Alliance Agreement (the "Alliance Agreement") dated September 21, 1999 between the two companies, Vodafone contributed its U.S. wireless operations (the "AirTouch Properties"), its 50% ownership interest in PrimeCo Personal Communications L.P. ("PrimeCo") and approximately $4 billion of debt to the Partnership, in exchange for a 65.1% interest in the Partnership. Bell Atlantic also contributed its 50% ownership interest in PrimeCo, and retained a 34.9% interest in the Partnership. Bell Atlantic maintained control of the Partnership. As of April 3, 2000, the Partnership began conducting business as Verizon Wireless.

On June 30, 2000, Bell Atlantic and GTE Corporation ("GTE Corp.") completed a merger of equals under a definitive merger agreement entered into on July 27, 1998 (the "Merger"). On June 30, 2000, the newly merged entity changed its name to Verizon Communications Inc. ("Verizon Communications"). Under the Alliance Agreement, Verizon Communications contributed certain GTE Corp. wireless net assets and operations ("GTE Wireless" or "GTEW") increasing its partnership interest to 55% and decreasing Vodafone's partnership interest to 45%.

The Merger qualified as a tax-free reorganization and has been accounted for as a pooling-of-interests business combination. Under this method of accounting, the Partnership and GTEW are treated as if they had always been combined for accounting and financial reporting purposes in a manner similar to a pooling-of-interests and therefore all prior period consolidated financial statements of the Partnership have been restated to reflect these operations (see Note 4). The Partnership began consolidating the financial statements of PrimeCo on April 3, 2000. All previous periods have been restated to include the historical results of PrimeCo on the equity method.

Description of the Business

Under the Verizon Wireless brand name, the Partnership is the nation's leading provider of wireless communications in terms of number of subscribers, network coverage, revenues and operating income. The Partnership provides wireless voice and data services and related equipment to consumers and business customers in its markets. The Partnership has the largest wireless network in the United Stated covering 49 of the 50 largest metropolitan areas throughout the United States.

2. Summary of Significant Accounting Policies

Consolidated Financial Statements and Basis of Presentation

The consolidated financial statements of the Partnership include the accounts of its majority-owned subsidiaries and the partnerships in which the Partnership exercises control. Investments in businesses and partnerships in which the Partnership does not have control, but has the ability to exercise significant influence over operating and financial policies, are accounted for under the equity method of accounting (see Note 6). All significant intercompany balances and transactions between these entities have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure

of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting

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period. Actual results could differ from those estimates. Estimates are used for, but not limited to, the accounting for: allowance for uncollectible accounts receivable, unbilled revenue, fair values of financial instruments, depreciation and amortization, useful life and impairment of assets, accrued expenses, inventory reserves, equity in income (loss) of unconsolidated entities, employee benefits, income taxes, contingencies and allocation of purchase prices in connection with business combinations. Estimates and assumptions are periodically reviewed and the effects of any material revisions are reflected in the consolidated financial statements in the period that they are determined to be necessary.

Revenue Recognition

The Partnership earns revenue by providing access to the network (access revenue) and for usage of the network (airtime/usage revenue), which includes roaming and long distance revenue. In general, access revenue is billed one month in advance and is recognized when earned; the unearned portion is classified in advance billings. Airtime/usage revenue, roaming revenue and long distance revenue are recognized when service is rendered and included in unbilled revenue until billed. Customer activation fees, along with the related costs up to but not exceeding the activation fees, are deferred and amortized over the customer relationship period. Equipment sales revenue associated with the sale of wireless handsets and accessories is recognized when the products are delivered to and accepted by the customer, as this is considered to be a separate earnings process from the sale of wireless services. The Partnership's revenue recognition policies are in accordance with the Securities and Exchange Commission's ("SEC") Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements."

Selling, General and Administrative Expenses

In 2002, the Partnership classified all site rentals, including tower rentals, and network related salaries as cost of service. The Partnership has reclassified approximately $480 million and $361 million from selling, general and administrative expense to cost of service for the years ended December 31, 2001 and 2000, respectively.

The Partnership expenses advertising costs as incurred. Total advertising expense amounted to $829 million, $719 million and $772 million for the years ended December 31, 2002, 2001, and 2000, respectively.

Inventory

Inventory consists primarily of wireless equipment held for sale. Equipment held for sale is carried at the lower of cost (determined using a first-in, first-out method) or market.

Capitalized Software

Capitalized software consists primarily of direct costs incurred for professional services provided by third parties and compensation costs of employees which relate to software developed for internal use either during the application stage or for upgrades and enhancements that increase functionality. Costs are capitalized and are being amortized on a straight-line basis over their estimated useful lives of three to five years. Costs incurred in the preliminary project stage of development and maintenance are expensed as incurred.

Capitalized software of $305 million and $291 million and related accumulated amortization of $152 million and $135 million as of December 31, 2002 and 2001, respectively, have been included in deferred charges and other assets, net in the consolidated balance sheets.

Property, Plant and Equipment

Property, plant and equipment primarily represents costs incurred to construct and enhance Mobile Telephone Switching Offices and cell sites. The cost of property, plant and equipment is depreciated over its estimated useful life using the straight-line method of accounting. Leasehold improvements are amortized over the shorter of their estimated useful lives or the term of the related lease. Major improvements to existing plant and equipment are capitalized. Routine maintenance and repairs that do not extend the life of the plant and equipment are charged to expense as incurred.

Upon the sale or retirement of property, plant and equipment, the cost and related accumulated depreciation or amortization is eliminated from the accounts and any related gain or loss is reflected in the statement of operations and comprehensive income.

Interest expense and network engineering costs incurred during the construction phase of the Partnership's network and real estate properties under development are capitalized as part of property, plant and equipment and recorded as construction in progress until the projects are completed and placed into service.

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Valuation of Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When such events occur, the undiscounted expected future cash flows are compared to the carrying amount of the asset. If the comparison indicates that there is an impairment, the amount of the impairment is typically calculated using discounted expected future cash flows. The discount rate applied to these cash flows is based on the Partnership's weighted average cost of capital (see Note 3 "Wireless Licenses and Other Intangibles, Net").

Financial Instruments

The Partnership uses various financial instruments, including foreign exchange-forward contracts and interest rate swap agreements, to manage risk to the Partnership by generating cash flows that offset the cash flows of certain transactions in foreign currencies or underlying financial instruments in relation to their amount and timing. The Partnership's derivative financial instruments are for purposes other than trading (see Note 9).

Income Taxes

The Partnership is not a taxable entity for federal income tax purposes. Any federal taxable income or loss is included in the respective partners' consolidated federal return. Certain states, however, impose taxes at the partnership level and such taxes are the responsibility of the Partnership and are included in the Partnership's tax provision. The consolidated financial statements also include provisions for federal and state income taxes, prepared on a stand-alone basis, for all corporate entities within the Partnership. Deferred income taxes are recorded using enacted tax law and rates for the years in which the taxes are expected to be paid or refunds received. Deferred income taxes are provided for items when there is a temporary difference in recording such items for financial reporting and income tax reporting.

Through June 30, 2000, GTEW's financial results included a tax provision, as its assets were ultimately owned by corporate entities. In connection with the contribution of GTEW's net assets to the Partnership, Verizon Communications assumed certain income tax liabilities that existed as of June 30, 2000.

Employee Benefit Plans

Pension and postretirement health care, dental and life insurance benefits earned during the year, as well as interest on projected benefit obligations, are accrued currently. Prior service costs and credits resulting from changes in plan benefits are amortized over the average remaining service period of the employees expected to receive benefits.

Concentrations

To the extent the Partnership's customer receivables become delinquent, collection activities commence. No single customer is large enough to present a significant financial risk to the Partnership. The Partnership maintains an allowance for losses based on the expected collectibility of accounts receivable.

The Partnership relies on local and long-distance telephone companies, some of whom are related parties (see Note 14), and other companies to provide certain communication services. Although management believes alternative telecommunications facilities could be found in a timely manner, any disruption of these services could potentially have an adverse impact on operating results.

Although the Partnership attempts to maintain multiple vendors for each required product, its network assets, which are important components of its operations, are currently acquired from only a few sources. If the suppliers are unable to meet the Partnership's needs as it builds out its network infrastructure and sells service and equipment, delays and increased costs in the expansion of the Partnership's network infrastructure or losses of potential customers could result, which would adversely affect operating results.

Comprehensive Income

Comprehensive income consists of net income and other gains and losses affecting partners' investment that, under generally accepted accounting principles, are excluded from net income. Other comprehensive income is comprised of net unrealized gains (losses) on derivative financial instruments and adjustments to the minimum pension liability (see Notes 9 and 10).

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Segments

The Partnership has one reportable business segment and operates domestically only. The Partnership's products and services are materially comprised of wireless telecommunications services.

Reclassifications

Certain reclassifications have been made to the 2001 and 2000 consolidated financial statements to conform to the current year presentation.

Recently Issued Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statements of Financial Accounting Standards ("SFAS") No. 143, "Accounting for Asset Retirement Obligations." This standard requires entities to recognize the fair value of any legal obligation associated with the retirement of long-lived assets and to capitalize that amount as a part of the book value of the long-lived asset. That cost is then depreciated over the remaining life of the underlying long-lived asset. The Partnership will adopt the standard effective January 1, 2003. The Partnership does not expect the impact of the adoption of SFAS No. 143 to have a material effect on the Partnership's results of operations or financial position.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." This standard re-addresses financial accounting and reporting for the impairment or disposal of long-lived assets. It concludes that a single accounting model be used for long-lived assets to be disposed of by sale and broadens the presentation of discontinued operations to include more disposal transactions. The Partnership adopted the standard effective January 1, 2002. The adoption of SFAS No. 144 had no material effect on the Partnership's results of operations or financial position.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities". This standard nullifies Emerging Issue Task Force ("EITF") Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." This standard requires the recognition of a liability for a cost associated with an exit or disposal activity at the time the liability is incurred, rather than at the commitment date to exit a plan as required by EITF 94-3. The Partnership will adopt this standard effective January 1, 2003. The Partnership does not expect the impact of the adoption of SFAS No. 146 to have a material effect on the Partnership's results of operations or financial position.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure," an amendment of FASB Statement No. 123, "Accounting for Stock-Based Compensation." This standard provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based compensation. In addition, this standard amends the disclosure requirements of SFAS No. 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. Effective January 1, 2003, the Partnership will adopt the fair value recognition provisions of SFAS No. 123, prospectively (as permitted under SFAS No. 148) to all new stock-based employee compensation granted, modified or settled after January 1, 2003. As the Partnership currently accounts for its Value Appreciation Rights ("VARs") under a fair value approach (see Note 11), it does not expect the impact of the adoption of the fair value recognition provisions of SFAS No. 123 to have a material effect on the Partnership's results of operations or financial position.

3. Wireless Licenses and Other Intangibles, Net

The Partnership has adopted the provisions of SFAS No. 142, "Goodwill and Other Intangible Assets," as of January 1, 2002. In conjunction with this adoption, the Partnership has reassessed the useful lives of previously recognized intangible assets. The Partnership's principal intangible assets are licenses, including licenses associated with equity method investments, which provide the Partnership with the exclusive right to utilize certain radio frequency spectrum to provide wireless communication services. While licenses are issued for only a fixed time, generally 10 years, such licenses are subject to renewal by the Federal Communications Commission ("FCC"). Renewals of licenses have occurred routinely and at nominal cost. Moreover, the Partnership has determined that there are currently no legal, regulatory, contractual, competitive, economic or other factors that limit the useful life of the

Partnership's wireless licenses. As a result, the wireless licenses have been treated as an indefinite life intangible asset under the provisions of SFAS No. 142 and have not been amortized but rather were tested for impairment. The Partnership will reevaluate the useful life determination for wireless licenses at least annually to determine whether events and circumstances continue to support an indefinite useful life.

<PAGE>

Previous business combinations have been for the purpose of acquiring existing licenses and related infrastructure to enable the Partnership to build out its existing nationwide network. The primary asset acquired in such combinations has been wireless licenses. In the allocation of the purchase price of these previous acquisitions, amounts classified as goodwill have related predominately to the expected synergies of placing the acquired licenses in the Partnership's national footprint. Further, in purchase accounting, the values assigned to both wireless licenses and goodwill were principally determined based on an allocation of the excess of the purchase price over the acquired net assets. The Partnership believes that the nature of its wireless licenses and related goodwill are fundamentally indistinguishable.

In light of these considerations, on January 1, 2002 amounts previously classified as goodwill, approximately $7,958 million for the year ended December 31, 2001, were reclassified into wireless licenses. Also, assembled workforce, previously included in other intangible assets, is no longer recognized separately from wireless licenses. Amounts for fiscal year 2001 have been reclassified to conform to the presentation adopted on January 1, 2002. In conjunction with this reclassification, and in accordance with the provisions of SFAS No. 109, "Accounting for Income Taxes," the Partnership recognized a deferred tax liability of approximately $1,627 million related to the difference in the tax basis versus book basis of the wireless licenses. This reclassification, including the related impact on deferred taxes, had no impact on the results of operations of the Partnership. This reclassification and the methodology used to test wireless licenses for impairment under SFAS No. 142, as described in the next paragraph, have been reviewed with the staff of the SEC.

When testing the carrying value of the wireless licenses for impairment, the Partnership determined the fair value of the aggregated wireless licenses by subtracting from enterprise discounted cash flows (net of debt) the fair value of all of the other net tangible and intangible assets of the Partnership. If the fair value of the aggregated wireless licenses as determined above had been less than the aggregated carrying amount of the licenses, an impairment would have been recognized. Upon the adoption of SFAS No. 142 and during 2002, tests for impairment were performed with no impairment recognized. Future tests for impairment will be performed at least annually and more often if events or circumstances warrant.

Other intangibles, net, which primarily represent acquired customer lists, have a finite useful life of 4-8 years.

The following table presents the adjusted net income that would have been recognized if the amortization expense associated with wireless licenses, including licenses associated with equity method investments, had been excluded in each period shown.

<TABLE>

(Dollars in Millions)	For the Years Ended December 31, 2002	2001	2000
<S>	<C>	<C>	<C>
Reported net income	$ 2,584	$ 1,300	$ 1,528
Add: Wireless license amortization, net of tax	-	1,032	825
Adjusted net income	$ 2,584	$ 2,332	$ 2,353

</TABLE>

The changes in the carrying amount of wireless licenses are as follows:

<TABLE>

(Dollars in Millions)	Wireless Licenses, Net (a)	Wireless Licenses Associated with Equity Method Investments (b)	Total
<S>	<C>	<C>	<C>
Balance, net, as of December 31, 2001	$ 37,741	$ 168	$ 37,909
Wireless licenses acquired	2,349	-	2,349
Aggregate impairment losses recognized	-	-	-
Wireless licenses refund	(1,740)	-	(1,740)
Deferred tax liability reclassification	1,627	-	1,627
Other	37	-	37
Balance as of December 31, 2002	$ 40,014	$ 168	$ 40,182

</TABLE>

(a) Interest costs of $21 and $25 were capitalized in wireless licenses

during the years ended December 31, 2002 and 2001, respectively.

(b) Included in investments in unconsolidated entities.

<PAGE>

Other intangibles, net consist of the following:

(Dollars in Millions)	December 31, 2002	2001
Customer lists (4-7 yrs.)	$ 3,424	$ 3,349
Other (8 yrs.)	1	5
	3,425	3,354
Less: accumulated amortization (a)	1,831	1,281
Other intangibles, net	$ 1,594	$ 2,073

(a) Based solely on the amortized intangible assets existing at December 31, 2002, the estimated amortization expense for the five succeeding fiscal years is as follows:

For the year ended 12/31/03	$ 520
For the year ended 12/31/04	$ 468
For the year ended 12/31/05	$ 462
For the year ended 12/31/06	$ 131
For the year ended 12/31/07	$ 11

4. Business Combinations and Other Transactions

The following table presents information about the Partnership's acquisitions for the years ended December 31, 2002, 2001 and 2000:

<TABLE>

(Dollars in Millions)	Acquisition Date	Purchase Price (a)	Wireless Licenses	Other Intangibles	Net Tangible Assets
<S>	<C>	<C>	<C>	<C>	<C>
2002					
Price Communications Wireless, Inc. (b)	Aug 2002	$ 1,702	$ 1,610	$ 52	$ 40
Dobson Communications Corporation (b)	Feb 2002	$ 552	$ 505	$ 19	$ 28
Various	various	$ 249	$ 234	$ 4	$ 11
2001					
Various	various	$ 835	$ 794	$ 11	$ 30
2000					
Vodafone and PrimeCo	Apr 2000	$ 33,910	$ 28,018	$ 2,825	$ 3,067
ALLTEL Communications	Apr/Jun 2000	$ 2,441	$ 1,814	$ 178	$ 449
Various	various	$ 901	$ 141	$ 6	$ 754

</TABLE>

(a) Purchase price includes cash, assumption of debt, as well as the fair value of assets exchanged, as applicable.

(b) The allocation of the purchase price is preliminary. However, the Partnership does not believe that future adjustments to the purchase price allocation will have a material effect on the Partnership's financial position or results of operations.

All of the acquisitions of businesses included herein were accounted for under the purchase method of accounting with results of operations included in the consolidated statements of operations from the date of acquisition. Excluding Vodafone, PrimeCo and ALLTEL Communications, had the acquisitions of businesses been consummated on January 1 of the year preceding the year of acquisition, the results of these acquired operations would not have had a significant impact on the Partnership's consolidated results of operations.

Price Communications Wireless, Inc.

On August 15, 2002, the Partnership acquired substantially all of the operating assets of Price Communications Wireless, Inc. ("Price"), a subsidiary of Price Communications Corp., pursuant to an agreement dated as of December 18, 2001, as amended. The transaction was valued at $1,702 million, including $550 million ($700 million debt less $150 million cash contributed by Price) in net debt assumed and redeemed. On December 17, 2001 a new limited partnership, Verizon Wireless of the East LP, was formed for the purpose of acquiring the

assets to be contributed by Price and subsidiaries of the Partnership. The Partnership contributed certain of its assets to the new limited partnership in exchange for a managing general partner interest and a limited partner interest. In exchange for its contributed assets, Price received a preferred limited partnership interest in

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Verizon Wireless of the East LP that is exchangeable under certain circumstances into equity of Verizon Wireless (if an initial public offering of such equity occurs) or into common stock of Verizon Communications on the fourth anniversary of the asset contribution if a qualifying initial public offering of Verizon Wireless equity has not occurred prior to such anniversary. Pursuant to the limited partnership agreement, the profits of Verizon Wireless of the East LP are allocated on a preferred basis to Price's capital account quarterly in an amount up to, but not exceeding, 2.915% per annum (based on the weighted daily average balance of Price's capital account). Price's initial capital account balance for its preferred interest was $1,113 million, which is included in minority interests in consolidated entities in the December 31, 2002 consolidated balance sheet. Verizon Wireless of the East LP is controlled and fully consolidated by the Partnership.

Dobson Communications Corporation

In February 2002, the Partnership acquired certain Dobson Communications Corporation wireless operations in California, Georgia, Ohio, Tennessee, and Arizona for approximately $552 million.

Vodafone and PrimeCo

On April 3, 2000, Bell Atlantic and Vodafone consummated their previously announced agreement to combine their U.S. wireless operations in a transaction valued at $33,910 million. In accordance with the terms of the Alliance Agreement dated September 21, 1999 between the two companies, Vodafone contributed its AirTouch properties, its 50% ownership interest in PrimeCo and approximately $4 billion of debt to the Partnership, in exchange for a 65.1% interest in the Partnership, and Bell Atlantic retained a 34.9% interest. Bell Atlantic maintained control of the Partnership. Upon completion of the Merger (see Note 1) and the contribution of GTEW to the Partnership, effective June 30, 2000, Bell Atlantic increased its partnership interest to 55% and Vodafone's partnership interest decreased to 45%. Under the terms of the Alliance Agreement between Bell Atlantic and Vodafone, Vodafone may require the Partnership to purchase parts of Vodafone's interest in the Partnership at specific periods in time (see Note 15).

ALLTEL Overlap Transaction

Based on regulations of the FCC governing wireless communications and the U.S. Department of Justice consent order dated December 6, 1999, certain properties of the Partnership, AirTouch and GTEW were required to be divested in order to eliminate overlapping operations. To effect these divestitures, some properties were exchanged via swaps with other wireless carriers. Accordingly, on January 31, 2000, the Partnership and GTEW, separately, signed agreements with ALLTEL Communications ("ALLTEL") to exchange wireless interests in two stages ("Stage I" and "Stage II"). On April 1, 2000, the Partnership executed the Stage I transaction whereby it exchanged its interest in the southwest part of the United States (also known as "Southwestco Wireless") for ALLTEL's interest in eight markets. The Partnership recorded a gain on the sale of Southwestco Wireless of approximately $848 million, which was included in sales of assets, net in the consolidated statements of operations and comprehensive income. On June 29, 2000, GTEW executed the Stage II transaction whereby it obtained 17 of ALLTEL's wholly owned markets and eight of its majority owned markets in exchange for GTEW's interest in certain markets. No gain or loss was recorded by the Partnership in the Stage II transaction as the markets to be divested were transferred from GTEW to GTE Corp. before the transaction was executed. The results of operations of the divested GTEW properties were included in the Partnership's consolidated results of operations through June 29, 2000. The total consideration paid for this overlap transaction was approximately $2,441 million. The allocation of the purchase price was finalized in 2001.

The following selected unaudited pro forma information is being provided to present a summary of the combined results of the Partnership as if the AirTouch Properties and ALLTEL acquisitions had occurred as of January 1, 2000, giving effect to purchase accounting adjustments. The unaudited pro forma data is for informational purposes only and may not necessarily reflect the results of operations of the Partnership had the acquired business operated as part of the Partnership for the year ended December 31, 2000, nor is the unaudited pro forma data indicative of the results of future consolidated operations.

(Dollars in Millions)	For the Year Ended December 31, 2000 Pro Forma
	(unaudited)
Total operating revenues	$ 15,392

Net income	$	749

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GTE Wireless

As described in Note 1, all prior period consolidated financial statements presented have been restated to include the consolidated results of operations, financial position and cash flows of GTEW as though it had always been a part of the Partnership.

The operating revenues and net income previously reported by the separate entities and the combined amounts in the accompanying consolidated statements of operations were as follows:

(Dollars in Millions)	For the Six Months Ended June 30, 2000
	(unaudited)
Operating Revenues:	
Cellco	$ 4,057
GTEW	2,115
Conforming Adjustments	(73)
Combined	$ 6,099
Net Income:	
Cellco	$ 976
GTEW	92
Conforming Adjustments	1
Combined	$ 1,069

The significant conforming adjustments related to:

- Elimination of inter-company transactions
- Conforming accounting policies to expense customer acquisition costs as incurred.

Various Acquisitions

In addition to the business combinations and dispositions outlined above, during the years ended December 31, 2002, 2001 and 2000, the Partnership purchased various individually immaterial partnership interests and wireless licenses. Had all these purchases been consummated on January 1 of the year preceding the year of acquisition, the results of these aggregated operations would not have had a significant impact on the Partnership's consolidated results of operations.

Tower Transactions

In accordance with the Alliance Agreement, any tower financing transactions accounted for by Verizon Communications as a financing were not contributed to the Partnership. The tower financings associated with BAM and GTEW resulted in the Partnership's continuing involvement in joint ventures ("JVs") with Crown Castle International Corporation ("Crown"), which were established through the contribution of communications towers in exchange for cash and equity interests in the JVs. The JVs are controlled and managed by Crown. The JVs were entitled to build and own the first 500 towers built for BAM's network and the first 500 towers built for GTEW's network after the date of each agreement; however, the parties agreed to end their obligations related to such towers in 2002. The Partnership leases back a portion of the towers pursuant to lease agreements. The Partnership paid $85 million, $76 million and $58 million to Crown related to payments under operating leases for the years ended December 31, 2002, 2001 and 2000, respectively.

Prior to the acquisition of the AirTouch Properties, Vodafone entered into agreements ("Sublease Agreements") to sublease all of its unused space on its communications towers to American Tower Corporation ("ATC") and SpectraSite Holdings, Inc. ("SpectraSite") in exchange for $955 million. Vodafone also entered into exclusive three-year build-to-suit agreements with ATC and SpectraSite to produce new communications towers in strategic locations. The build-to-suit agreements were assumed by the Partnership upon the closing of the AirTouch Properties acquisition. Several of these transactions closed in phases throughout 2001. The parties agreed to terminate the build-to-suit agreement with SpectraSite in 2002. The build-to-suit agreement with ATC expired in January 2003. As of December 31, 2002, approximately 2,200 towers have been subleased, at the monthly rate of approximately two thousand dollars

per tower. In accordance with the Alliance Agreement, all proceeds from the subleases were retained by or remitted to Vodafone. The Sublease Agreements require monthly maintenance fees for the existing physical space used by the Partnership's wireless equipment. The terms of the Sublease Agreements differ for leased communication towers versus those owned by the Partnership and range from 20 to 99 years. The Partnership paid $53

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million, $41 million and $26 million to ATC and SpectraSite pursuant to the Sublease Agreements for the years ended December 31, 2002, 2001 and 2000, respectively.

5. Supplementary Financial Information

Supplementary Balance Sheet Information

(Dollars in Millions)	December 31, 2002	2001
Property, Plant and Equipment, Net:		
Land and improvements	$ 94	$ 68
Buildings (5-40 yrs.)	3,768	3,048
Wireless plant equipment (4-15 yrs.)	21,719	19,465
Rental equipment (1-3 yrs.)	162	196
Furniture, fixtures and equipment (2-7 yrs.)	2,703	2,599
Leasehold improvements (5 yrs.)	798	737
	29,244	26,113
Less: accumulated depreciation	11,556	10,147
Property, plant and equipment, net (a)(b)	$ 17,688	$ 15,966

(a) Construction-in-progress included in certain of the classifications shown in property, plant and equipment, principally wireless plant equipment, amounted to $837 and $1,065 at December 31, 2002 and 2001, respectively.

(b) Interest costs of $56 and $84 and network engineering costs of $203 and $211 were capitalized during the years ended December 31, 2002 and 2001, respectively.

(Dollars in Millions)	December 31, 2002	2001
Accounts Payable and Accrued Liabilities:		
Accounts payable	$ 1,816	$ 1,939
Accrued liabilities	802	645
Accounts payable and accrued liabilities	$ 2,618	$ 2,584

Supplementary Statements of Operations Information

(Dollars in Millions)	For the Years Ended December 31, 2002	2001	2000
Depreciation and Amortization:			
Depreciation of property, plant and equipment, net	$ 2,673	$ 1,939	$ 1,400
Amortization of wireless licenses, net	-	1,086	868
Amortization of other intangibles, net	551	634	562
Amortization of deferred charges and other assets, net	69	50	67
Total depreciation and amortization	$ 3,293	$ 3,709	$ 2,897
Interest Expense, Net:			
Interest expense	$ (703)	$ (764)	$ (674)
Interest income	24	13	86
Capitalized interest	77	109	81
Interest expense, net	$ (602)	$ (642)	$ (507)

<PAGE>

Supplementary Cash Flows Information

<TABLE>

(Dollars in Millions)	For the Years Ended December 31, 2002	2001	2000
<S>	<C>	<C>	<C>
Net (refunds received) cash paid for income taxes	$ (46)	$ 160	$ 266
Interest paid, net of amounts capitalized	$ 618	$ 634	$ 536
Supplemental investing and financing non-cash transactions:			
Net assets transferred to affiliate	$ -	$ (25)	$ (170)
Net assets transferred from affiliate	$ 26	$ -	$ -
Equity contribution and conversion of affiliate payable	$ -	$ 1,488	$ -
Business combinations and other acquisitions:			
Cash paid	$ 774	$ 626	$ 1,620
Debt and net liabilities assumed, less cash	616	209	7,555
Partnership interest exchanged	-	-	28,251
Minority interest (preferred return) issued	1,113	-	-
Fair value of assets acquired	$ 2,503	$ 835	$ 37,426

</TABLE>

6. Investments in Unconsolidated Entities

The Partnership owns non-controlling interests in the following unconsolidated entities, which are accounted for using the equity method of accounting. The assets, liabilities and the results of operations of the unconsolidated entities, in the aggregate, are immaterial to the Partnership's consolidated financial position and results of operations.

<TABLE>

Investee	Partnership's Ownership Interest December 31, 2002	2001
<S>	<C>	<C>
Bristol Bay Cellular Partnership	50.00%	50.00%
Railfone - Amtrak Venture	(a)	50.00%
Iowa RSA No. 2 Limited Partnership	49.50%	49.50%
Badlands Cellular of North Dakota Limited Partnership	49.00%	49.00%
San Isabel Cellular of Colorado Limited Partnership	49.00%	49.00%
Northstar Paging/Holding LTD	48.45%	48.45%
Iowa 8 - Monona Limited Partnership	44.92%	44.92%
GTE Mobilnet of Indiana RSA #6 Limited Partnership	43.75%	43.75%
New York RSA 2 Cellular Partnership	42.86%	42.86%
St. Lawrence Seaway RSA Cellular Partnership	40.00%	40.00%
Illinois Valley Cellular RSA 2-I Partnership	40.00%	40.00%
Illinois Valley Cellular RSA 2-III Partnership	40.00%	40.00%
Indiana RSA #1 Limited Partnership	40.00%	40.00%
Mohave Cellular Limited Partnership	33.33%	33.33%
GTE Mobilnet of Texas RSA #17 Limited Partnership	31.92%	31.92%
California RSA No. 3 Limited Partnership	27.72%	27.72%
Cal-One Cellular Limited Partnership	22.48%	22.48%
Missouri RSA 9B1 Limited Partnership	14.70%	14.70%
Missouri RSA 9B1 Tower Holdings LLC	14.70%	14.70%
Jacksonville MSA Limited Partnership	14.24%	14.24%
RSA 7 Limited Partnership	14.14%	14.14%
RSA 1 Limited Partnership	9.14%	9.14%
Virginia RSA 2 Limited Partnership	4.99%	4.99%
Wisconsin RSA #8 Limited Partnership	2.00%	2.00%
Virginia 10 RSA Limited Partnership	1.00%	1.00%
New Mexico RSA 6-II Partnership	-	(b)

</TABLE>

(a) In June 2002, the Partnership purchased the remaining 50% interest for an immaterial amount and started consolidating the operating results of the entity.

(b) This investment was sold in 2001. The Partnership received proceeds of $3 million and recognized a gain of $2 million.

<PAGE>

The Partnership utilizes the equity method of accounting for certain partnerships where it owns less than 20% as it maintains the ability to exercise significant influence over operating and financial policies.

7. Debt

<TABLE>

(Dollars in Millions)	December 31, 2002	2001
<S>	<C>	<C>
Short-term debt consists of the following:		
Floating rate notes	$ 1,500	$ -
Credit facility and term loan	24	410
Capital lease obligations	45	38
Other	7	10
	1,576	458
Long-term debt consists of the following:		
Fixed rate notes, net of discount	2,490	2,488
Floating rate notes	-	1,500
Capital lease obligations (see Note 13)	77	106
Other	2	5
	2,569	4,099
Total debt	$ 4,145	$ 4,557

</TABLE>

Credit Facility and Term Loan

At December 31, 2002, borrowings under the credit facility amounted to $24 million. The credit facility matures on April 2, 2003 and bears interest (at the Partnership's option) at a rate equal to i) LIBOR plus 0.32%, ii) the prime rate or iii) a competitive bid option (1.7% at December 31, 2002). The $386 million term loan, included in 2001, was repaid on July 1, 2002. Facility fees are 0.06% of the total commitment calculated and payable monthly. The credit facility contains customary events of default and customary covenants, including a requirement to maintain a certain leverage ratio. The Partnership was in compliance with all covenants at December 31, 2002.

Fixed and Floating Rate Notes

On December 17, 2001, the Partnership and Verizon Wireless Capital LLC, a wholly owned subsidiary of the Partnership, co-issued a private placement of $4 billion in unsecured and unsubordinated notes (the "notes"). Verizon Wireless Capital LLC, a Delaware limited liability company, was formed for the sole purpose of facilitating the offering of the notes and additional debt securities of the Partnership. Other than acting as co-issuer of the Partnership indebtedness, Verizon Wireless Capital LLC has no material assets, operations or revenues. The Partnership is joint and severally liable with Verizon Wireless Capital LLC for the notes. The notes include $1.5 billion of floating rate notes maturing in December 2003 and $2.5 billion, net of a $12 million discount, of fixed rate notes maturing in December 2006. The discount is amortized using the effective interest method. These notes are non-recourse against any existing or future partners of the Partnership. Interest on the floating rate notes is payable quarterly in arrears at a rate equal to LIBOR plus 0.4% (2.21% at December 31, 2002). The fixed rate notes bear interest at a rate of 5.375% due semi-annually on each June 15 and December 15. Net capitalized debt issuance costs, included in deferred charges and other assets, net in the 2002 and 2001 consolidated balance sheets, amounted to $9 million and $13 million, respectively, and are amortized in the consolidated statements of operations and comprehensive income using the straight-line method.

The Partnership may not redeem the floating rate notes at any time prior to maturity; however, the fixed rate notes can be redeemed at any time at a purchase price equal to 100% of the principal amount plus the following: i) accrued interest, ii) unpaid interest on the principal amount being redeemed to the redemption date, and iii) an additional premium. The notes contain customary events of default and customary non-financial covenants. The Partnership was in compliance with all covenants at December 31, 2002.

After deducting the initial discount relating to the fixed rate notes, the net cash proceeds from the private placement amounted to $3,988 million. These proceeds were used to reduce outstanding amounts of the Partnership's credit facility.

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On July 10, 2002, the Partnership filed a registration statement on Form S-4 to exchange the privately placed notes for a new issue of notes with identical terms registered under the Securities Act of 1933. The registration statement was declared effective and the exchange offer was commenced on October 11, 2002. The exchange offer expired and closed on November 12, 2002.

8. Due from/to Affiliates

<TABLE>

(Dollars in Millions)	December 31, 2002	2001
<S>	<C>	<C>
Short-term portion consists of the following:		
Receivable from affiliates	$ (63)	$ (23)
Demand notes due to affiliate	6,643	8,382
	6,580	8,359
Long-term portion consists of the following:		
Term notes payable to affiliates	2,781	2,431
Total due to affiliates	$ 9,361	$ 10,790

</TABLE>

Receivable from Affiliates

The Partnership has agreements with certain Verizon Communications' subsidiaries and affiliates for the provision of services in the normal course of business, including but not limited to direct and office telecommunications and general and administrative services.

Demand Notes Due to Affiliate

The Partnership has an agreement with Verizon Communications' wholly-owned financing affiliate, Verizon Global Funding ("VGF") under which it could borrow, regularly on an uncommitted basis, up to an agreed upon amount for working capital and other general partnership purposes. Amounts payable to VGF are offset on a daily basis by cash available in the Partnership's cash accounts. At December 31, 2002, the maximum amount available from VGF was $17.8 billion. Under the terms of the agreement, all demand notes are payable to VGF on demand.

In 2002, the Partnership received refunds of approximately $1,740 million from the FCC pertaining to the disputed wireless spectrum licenses (see Note 15). The refunds were used to reduce the debt payable to VGF.

Demand note borrowings from VGF will fluctuate based upon the Partnership's working capital and other funding requirements. Interest on the demand note borrowings is generally based on a blended interest rate calculated by VGF using fixed rates and variable rates applicable to borrowings by VGF to fund the partnership and other entities affiliated with Verizon Communications. For the years ended December 31, 2002 and 2001, the average interest rate for all demand note borrowings from VGF was 5.1% and 5.4%, respectively.

Term Notes Payable to Affiliates

At December 31, 2002, approximately $2,431 million of term note borrowings from Verizon Communications' subsidiaries and affiliates are due in 2009. The Partnership must make quarterly prepayments to the extent that its former Ameritech markets generate excess cash flow, as defined in the term notes. Management does not anticipate such excess cash flow within fiscal 2003; hence the entire amount is classified as long term. Interest on the term note borrowings ranged from 4.26% to 5.57% and 4.61% to 5.96% in 2002 and 2001, respectively. The term notes contain limited, customary non-financial covenants and events of default. The Partnership was in compliance with all covenants and restrictions at December 31, 2002.

In conjunction with the acquisition of the operating assets of Price (see Note 4), in August 2002, Verizon Wireless of the East LP, a subsidiary of the Partnership, obtained a $350 million term note from Verizon Investments Inc., a wholly-owned subsidiary of Verizon Communications. The funds were used to partially fund the redemption of the debt assumed from Price. The term note bears interest at a fixed rate of approximately 8.9% per year. Interest is payable quarterly in arrears. The term note is non-recourse to the partners of Verizon Wireless of the East LP and is guaranteed by Price. It matures four and one-half years after the closing of the Price acquisition (February 15, 2007) or six months following the occurrence of certain specified events.

<PAGE>

9. Financial Instruments

Fair Value

The carrying amounts and fair values of the Partnership's financial instruments as of December 31 consist of the following:

<TABLE>

	December 31,			
	2002		2001	
(Dollars in Millions)	Carrying Value	Fair Value	Carrying Value	Fair Value
<S>	<C>	<C>	<C>	<C>
Credit facility and term loans	$ 24	$ 24	$ 410	$ 410
Fixed rate notes	$ 2,490	$ 2,626	$ 2,488	$ 2,488
Floating rate notes	$ 1,500	$ 1,500	$ 1,500	$ 1,500
Foreign exchange-forward contracts	$ 35	$ 35	$ 48	$ 48
Partner's capital subject to redemption	$ 20,000	$ 20,000	$ 20,000	$ 20,000

</TABLE>

The Partnership's trade receivables and payables, and debt maturing within one year are short term in nature. Accordingly, these instruments' carrying value approximates fair value. The fair values of foreign exchange-forward contracts are determined using quoted market prices. The fair value of the credit facility and term loans is considered to be equivalent to the carrying value as the interest rates are based upon variable rates. A discounted future cash flows method is used to determine the fair value of the fixed and floating rate notes.

Interest Rate Swaps

The Partnership uses interest rate swap contracts to manage market risk and reduce its exposure to fluctuations in interest rates on its variable rate debt. Interest rate swaps allow the Partnership to raise funds at floating rates and effectively swap them into fixed rates that are lower than those available to it if fixed rate borrowings were made directly. These swaps do not involve an exchange of the underlying principal amount. The Partnership's use of interest rate swaps is limited; an insignificant portion of its variable rate debt portfolio is hedged. The Partnership maintained two interest rate swap agreements, one expired in 2000 and the other in August 2001, with an aggregate notional amount of $40 million. The effect of these agreements was to limit the interest rate exposure to 5.73% on $10 million and 5.76% on $30 million of the revolving credit facility.

Periodic payments and receipts under the interest rate swaps were recorded as part of interest expense. The related amount payable to, or receivable from, the counterparty was included in accrued interest payable or other current assets in the consolidated balance sheets. The fair value of the interest rate swaps was not recognized in the consolidated statements of operations as they were accounted for as hedges. If the interest rate swaps ceased to qualify as a hedge, any subsequent gains and losses would have been recognized in the statement of operations.

The Partnership was subject to credit risk in the event of nonperformance by the counterparty to the interest rate swap agreements.

Derivatives

The Partnership maintains foreign exchange-forward contracts to hedge foreign currency transactions; specifically Japanese Yen denominated capital lease obligations. As a result of the Partnership's acquisition of Vodafone's 50% ownership interest in PrimeCo (see Note 1), the Partnership had approximately $120 million and $156 million of foreign exchange contracts outstanding relating to foreign currency denominated capital lease obligations at December 31, 2002 and 2001, respectively. The contracts are designated as cash flow hedges and currently expire at various dates through April 2005. The foreign exchange-forward contracts generally require the Partnership to exchange U.S. dollars for Yen at maturity of the Japanese Yen denominated obligations, at rates agreed to at inception of the contracts.

The Partnership could be at risk for any currency related fluctuations if the counterparties do not contractually comply. Should the counterparties not comply, the ultimate impact, if any, will be a function of the difference in the cost of acquiring Yen at the time of delivery versus the contractually agreed upon price.

Effective January 1, 2001, the Partnership adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" and its correcting amendments under SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities." SFAS 133 requires that all derivatives be measured at fair value and recognized as either assets or liabilities in the consolidated balance sheets. Changes in the fair values of derivative instruments not used as hedges will be recognized in earnings

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immediately. Changes in the fair values of derivative instruments used effectively as hedges of changes in cash flows will be recognized in other comprehensive income/(loss) and will be recognized in the consolidated statements of operations when the hedged item affects earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings. The initial impact of adoption on the Partnership's consolidated financial statements was recorded as a cumulative transition adjustment. A charge of $4 million was recorded to earnings as a cumulative effect of a change in accounting principle for derivatives not designated as hedges and a cumulative charge of $2 million was recorded to other comprehensive income/(loss) for derivatives designated as cash flow-type hedges in our consolidated financial statements. The recognition of assets and liabilities in the consolidated balance sheets was immaterial.

The ongoing effect of adoption on the Partnership's consolidated financial statements will be determined each quarter by several factors, including the specific hedging instruments in place and their relationships to hedged items, as well as market conditions at the end of each period. The impact for the year ended December 31, 2002 was an immaterial gain for derivatives not designated as hedges, however; for the year ended December 31, 2001 the impact was a $4 million loss. These are included in other, net in the 2002 and 2001 consolidated statements of operations, respectively. The impact to other comprehensive income/(loss) for derivatives designated as cash flow-type hedges for the years ended December 31, 2002 and 2001 was immaterial.

10. Employee Benefits

Pension and Postretirement Benefits

The Partnership provides pension benefits to certain eligible employees hired before January 1, 2001 or to certain employees who were participants in a defined benefit pension plan formerly sponsored by legacy companies under the "Verizon Wireless Retirement Plan" and the "Retiree Medical, Dental and Life Plan," which consists of the former Upstate Cellular Network Pension Plan and AirTouch Pension Plan. These plans include a qualified pension plan, a nonqualified pension plan and a postretirement benefit plan. In accordance with the Alliance Agreement, all AirTouch pension plan assets and liabilities were transferred to the Partnership on January 1, 2001. The beginning balance of each plan's assets and obligations were determined under the purchase method of accounting.

The following information summarizes activity in the pension and postretirement benefit plans:

<TABLE>

(Dollars in Millions)	Pension Benefits		Postretirement Benefits	
For the Years Ended December 31,	2002	2001	2002	2001
<S>	<C>	<C>	<C>	<C>
Benefit Cost				
Service cost	$ 18.8	$ 19.5	$ 0.4	$ 0.4
Interest cost	6.8	5.2	1.6	1.7
Expected return on plan assets	(10.1)	(12.0)	-	-
Amortization of actuarial (gain) loss, net	4.0	-	-	-
Recognized curtailments gain	-	(5.0)	-	-
Net periodic benefit cost	$ 19.5	$ 7.7	$ 2.0	$ 2.1

</TABLE>

<PAGE>

(Dollars in Millions)	Pension Benefits		Postretirement Benefits	
For the Years Ended December 31,	2002	2001	2002	2001
<S>	<C>	<C>	<C>	<C>
Benefit Obligation				
Benefit obligation at January 1	$ 92.3	$ 75.2	$ 25.1	$ 22.3
Service cost	18.8	19.5	0.4	0.4
Interest cost	6.8	5.2	1.6	1.7
Actuarial loss, net	2.8	11.7	4.1	1.5
Benefits paid	(12.6)	(14.3)	(0.9)	(0.8)
Plan amendments	0.8	-	-	-
Curtailments	-	(5.0)	-	-
Benefit obligation at December 31	$ 108.9	$ 92.3	$ 30.3	$ 25.1
Change in Plan Assets				
Fair value of plan assets at January 1	$ 123.5	$ 143.9	$ -	$ -
Actual return on plan assets	(11.5)	(7.2)	-	-
Employer contributions	1.4	1.1	-	-
Benefits paid	(12.6)	(14.3)	-	-
Fair value of plan assets at December 31	$ 100.8	$ 123.5	$ -	$ -
Funded Status				
Funded status at December 31	$ (8.2)	$ 31.2	$ (30.3)	$ (25.1)
Unrecognized net actuarial loss	51.4	30.9	5.6	1.4
Unrecognized prior service (benefit) cost	0.8	-	-	-
Net amount recognized at December 31	$ 44.0	$ 62.1	$ (24.7)	$ (23.7)
Amounts recognized in the December 31 Consolidated Balance Sheet consist of:				
Prepaid pension costs	$ 47.7	$ 66.4	$ -	$ -
Accrued benefit liability	(7.4)	(4.3)	(24.7)	(23.7)
Accumulated other comprehensive loss	3.7	-	-	-
Net amount recognized	$ 44.0	$ 62.1	$ (24.7)	$ (23.7)

The actuarial assumptions used are based on market interest rates, past experience, and management's best estimate of future economic conditions. The expected rate of return on plan assets has been changed from 9.25% in 2002 to 8.50% in 2003. The weighted average assumptions used in determining expense and benefit obligations are as follows:

	As of December 31, 2002	2001
Discount rate	6.75%	7.25%
Expected return on plan assets	9.25%	9.25%
Rate of compensation increase	5.50%	5.50%

For the postretirement health care benefit plan, the Partnership assumed a 8.0% weighted average annual health care cost trend rate for 2002, gradually declining to 5.0% in 2005 and beyond. Assumed health care trend rates have a significant effect on the amounts reported for the postretirement benefits. A one-percentage point change in the Partnership's healthcare cost trend rate would have the following effects:

(Dollars in Millions)	One-Percentage Point Increase	Decrease
<S>	<C>	<C>
Effect on total of service and interest cost components	$ 0.2	$ (0.2)
Effect on postretirement benefit obligation	$ 2	$ (2)

GTEW Benefit Plans

Upon completion of the Merger, the assets and obligations for benefits pertaining to GTE Corp.'s pension and postretirement plans remained with Verizon Communications. The plans include former employees of GTEW; therefore, the Partnership reimburses Verizon Communications for GTEW's share of the cost of these plans. Prior to January 2001, the allocation was based on GTEW's contribution to the GTE Corp. plans, representing an allocation of the GTE

Corp.'s plans' assets and

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liabilities, based on the number and characteristics of GTEW's employees in relation to total GTE Corp. employees. The Partnership recognized pension expense of $2 million and other postretirement benefit expense of $4 million for the year ended December 31, 2000.

Beginning in 2001, the Partnership and Verizon Communications established a new billing agreement for the costs of providing pension and other postretirement benefits to former GTE Wireless employees for the period commencing January 1, 2001 and ending December 31, 2004. The allocation is based on the proportion of GTEW active salary and number of employees at the Partnership to the total Verizon Communications active salary and number of employees for Non-Network Services pension and postretirement plans, respectively, plus an additional $2 million per year to cover the cost of the pension benefit improvement. The Partnership recognized pension and postretirement benefit expense of $13 million and $11 million for the years ended December 31, 2002 and 2001, respectively, for former GTEW employees.

Employee Savings and Profit Sharing Retirement Plans

The Partnership maintains the Verizon Wireless Savings and Retirement Plan (the "VZW Plan") for the benefit of its employees. During 2000, the Partnership maintained the Bell Atlantic Mobile Savings and Profit Sharing Retirement Plan (the "BAM Plan"). The BAM Plan was amended and restated effective January 1, 2001 and is now the VZW Plan. The BAM Plan and the VZW Plan provide that employees may make contributions and that the Partnership may make matching contributions as well as profit sharing contributions.

Prior to 2001, employees of BAM were eligible to participate in the BAM Plan upon the first of the month following completion of 12 months of employment. Effective January 1, 2001, employees of the Partnership are eligible to participate as soon as practicable following their commencement of employment.

Beginning in 2002, under the employee savings component of the VZW Plan, employees may contribute, subject to IRS limitations, up to a total of 25% of eligible compensation, on a before-tax or after-tax basis, or as a combination of before-tax and after-tax contributions, under Section 401(k) of the Internal Revenue Code of 1986, as amended. In 2001, employees were able to contribute up to a total of 16% of eligible compensation. The Partnership matches 100% of the first 6% of an employee's contributions (75% in the case of former GTE employees who continue to participate in the GTE pension plan). The Partnership recognized approximately $71 million and $70 million of expense related to matching contributions for the years ended December 31, 2002 and 2001, respectively.

Prior to 2001, the Partnership made two types of matching contributions: fixed and variable. The fixed match was made at the rate of 50% of an employee's contributions up to 6% of eligible compensation. The variable match was determined at the sole discretion of the Human Resources Committee of the Board of Representatives (the "HRC"). The HRC declared a variable matching contribution of 50% in the year ended December 31, 2000. The Partnership recognized approximately $18 million of expense related to fixed and variable matching contributions for the year 2000.

Beginning in 2001, under the profit sharing component of the VZW Plan the Partnership may elect, at the sole discretion of the HRC, to contribute an additional amount to the accounts of employees who have completed at least 12 months of service by December 1, 2001 in the form of a profit sharing contribution. The HRC declared profit sharing contributions of 3%, 2% and 3% of employees' eligible compensation for 2002, 2001 and 2000, respectively. The Partnership recognized approximately $47 million, $35 million and $11 million of expense related to profit sharing contributions for 2002, 2001 and 2000, respectively.

11. Long-Term Incentive Plan

The 2000 Verizon Wireless Long-Term Incentive Plan (formerly known as the Bell Atlantic Mobile 1995 Long-Term Incentive Plan) (the "Plan") provides compensation opportunities to eligible employees and other participating affiliates of the Partnership. The Plan provides rewards that are tied to the long-term performance of the Partnership. Under the former Plan, Contingent Value Appreciation Rights ("CVARs") were granted to eligible employees since 1995. A CVAR was a right to receive cash payment, upon exercise, equal to the appreciation in the fair market value of CVARs from the date granted to the exercise date. On November 1, 2000, all CVARs outstanding were converted to VARs pursuant to the Plan. The outstanding CVARs were converted utilizing a conversion ratio representing the relationship of the fair value of a BAM CVAR

to the fair value of a Verizon Wireless VAR.

VARs reflect the change in the value of the Partnership, similar to stock options. Once VARs become vested, employees can exercise their VARs and receive a payment that is equal to the difference between the VAR price on the date of grant and the VAR price on the date of exercise, less applicable taxes. VARs are fully exercisable three years from the date of grant with a

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maximum term of 10 years. All VARs are granted at a price equal to the estimated fair value of the Partnership at the date of the grant. The Partnership employs standard valuation techniques to arrive at the fair value of the VARs. These standard valuation techniques include both the income approach and the market approach. The income approach uses future net cash flows discounted at market rates of return to arrive at an indication of fair value. The market approach compares the financial condition and operating performance of the enterprise being appraised with that of publicly traded enterprises in the same or similar lines of business thought to be subject to corresponding business and economic risks, and environmental and political factors to arrive at an indication of fair value. The aggregate number of VARs that may be issued under the Plan is 343,300,000.

The Partnership accounts for VARs issued to employees as provided in Accounting Principles Board Opinion No. 25 "Accounting for Stock Issued to Employees" and related interpretations and follows the disclosure only provisions of SFAS No. 123. Effective January 1, 2003, the Partnership will adopt the fair value recognition provisions of SFAS No. 123, prospectively as permitted under SFAS No. 148 (see Note 2). Accordingly, the Partnership will continuously record a charge or benefit in the consolidated statements of operations and comprehensive income each reporting period based on the change in fair value of the award during the period.

Compensation expense resulting from the Plan was $20 million, $4 million and $70 million for the years ended December 31, 2002, 2001 and 2000, respectively.

Awards outstanding at December 31, 2002, 2001 and 2000 under the Plan are summarized as follows:

<TABLE>

	CVARs*	VARs*	Weighted Average Exercise Price of VARs*	Vested VARs*
<S>	<C>	<C>	<C>	<C>
Outstanding, January 1, 2000	2,709,300			
Granted	593,701	25,353,843	$ 30.00	
Exercised	(1,402,350)	(2,064,491)	13.05	
Cancelled	(31,115)	(145,263)	30.00	
Conversion of CVARs	(1,869,536)	4,741,143	18.54	
Outstanding, December 31, 2000	-	27,885,232	29.31	2,218,305
Granted	-	54,600,530	17.33	
Exercised	-	(105,312)	12.91	
Cancelled	-	(2,728,248)	27.76	
Outstanding, December 31, 2001	-	79,652,202	21.17	1,129,602
Granted	-	53,980,943	9.10	
Exercised	-	(63,101)	11.46	
Cancelled	-	(6,652,385)	17.87	
Outstanding, December 31, 2002	-	126,917,659	$ 16.22	1,403,298

</TABLE>

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* The weighted average exercise price is presented in actual dollars; VARs and CVARs are presented in actual units.

The following table summarizes the status of the Partnership's VARs as of December 31, 2002:

<TABLE>

	VARs Outstanding			VARs Vested	
Range of Exercise Prices	VARs	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	VARs	Weighted Average Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>
$8.74 - $14.79	51,216,239	9.51	$ 8.77	611,872	$ 11.09
$14.80 - $22.19	49,977,100	8.78	16.75	636,621	17.05
$22.20 - $30.00	25,724,320	7.53	30.00	154,805	30.00
Total	126,917,659		$ 16.22	1,403,298	$ 15.88

</TABLE>

During 2000, the Partnership recorded a charge to operating expenses of approximately $38 million in selling, general and administrative expenses related to the vesting of certain CVARs in accordance with the Plan, in connection with the closing of the AirTouch Properties acquisition. The vesting was triggered by a change of control provision as defined in the Plan.

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12. Income Taxes

The provision for income taxes consists of the following:

<TABLE>

(Dollars in Millions)	For the Years Ended December 31, 2002	2001	2000
<S>	<C>	<C>	<C>
Current:			
Federal	$ 108	$ 83	$ 158
State and local	26	28	52
	134	111	210
Deferred:			
Federal	47	(38)	(38)
State and local	12	(11)	(23)
	59	(49)	(61)
Provision for income taxes	$ 193	$ 62	$ 149

</TABLE>

A reconciliation of the income tax provision computed at the statutory tax rate to the Partnership's effective tax rate is as follows:

<TABLE>

(Dollars in Millions)	For the Years Ended December 31, 2002	2001	2000
<S>	<C>	<C>	<C>
Income tax provision at the statutory rate	$ 972	$ 478	$ 587
State income taxes, net of U.S. federal benefit	30	16	19
Amortization of goodwill	-	36	45
Partnership income not subject to federal or state income taxes	(810)	(468)	(500)
Other, net	1	-	(2)
Provision for income tax	$ 193	$ 62	$ 149

</TABLE>

Deferred taxes arise because of differences in the book and tax bases of certain assets and liabilities. The significant components of the Partnership's deferred tax assets and (liabilities) are as follows:

(Dollars in Millions)	December 31, 2002	2001
Total deferred tax assets	$ 222	$ 240
Deferred tax liabilities:		
Property, plant and equipment	$ (400)	$ (260)
Intangible assets	(3,772)	(2,189)
Other	(108)	(108)
Total deferred tax liabilities	$ (4,280)	$ (2,557)
Net deferred tax asset-current	$ 107	$ 107
Net deferred tax liability-non-current	$ (4,165)	$ (2,424)

Net operating loss carryovers of $128 million expire at various dates principally from December 31, 2017 through December 31, 2020.

13. Leases

Operating Leases

The Partnership entered into operating leases for facilities and equipment used in its operations. Lease contracts include renewal options that include rent expense adjustments based on the Consumer Price Index as well as annual and end-of-lease term adjustments. For the years ended December 31, 2002, 2001 and 2000, the Partnership recognized rent expense related to payments under these operating leases of $406 million, $338 million and $218 million, respectively, in cost of service and $241

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million, $220 million and $158 million, respectively, in selling, general and administrative expense in the accompanying consolidated statements of operations and comprehensive income.

Capital Leases

The Partnership has certain sales/leasebacks for network equipment which are accounted for as financings, whereby a sale was not recorded and a capital lease obligation was recorded for the proceeds received. The related depreciation of assets recorded under capital leases is included in depreciation and amortization in the accompanying consolidated statements of operations and comprehensive income.

Future minimum payments under these and other capital lease obligations, a portion of which are payable in Japanese Yen, less imputed interest, and the aggregate future minimum rental commitments under noncancellable operating leases, excluding renewal options for the periods are as follows:

<TABLE>

(Dollars in Millions)	Operating Leases	Capital Leases
<S>	<C>	<C>
Years		
2003	$ 528	$ 49
2004	477	68
2005	421	9
2006	336	1
2007	240	1
2008 and thereafter	692	17
Total minimum payments	$ 2,694	145
Less: imputed interest		23
Obligations under capital leases		122
Less: current capital lease obligations		45
Long-term capital lease obligations at December 31, 2002		$ 77

</TABLE>

14. Other Transactions with Affiliates

In addition to transactions with affiliates in Notes 8 and 10, other significant transactions with affiliates are summarized as follows:

<TABLE>

(Dollars in Millions)	For the Years Ended December 31, 2002	2001	2000
<S>	<C>	<C>	<C>
Statement of Operations:			
Revenue related to transactions with affiliated companies	$ 20	$ 39	$ 51
Direct and office telecommunication charges	$ 281	$ 265	$ 340
Certain general and administrative expenses (a)	$ 81	$ 49	$ 160
Secondment agreement expenses (b)	$ -	$ -	$ 657
Interest expense, net	$ 499	$ 504	$ 562
Balance Sheet:			
Amounts capitalized for construction of cell sites and other system property	$ -	$ -	$ 4

</TABLE>

(a) In addition to recurring allocations, during 2000, the Partnership received an allocation of direct costs of approximately $46 in selling, general and administrative expenses from Verizon Communications. The charge related to severance costs and incentive stay agreements with employees of GTEW that were incurred in connection with the Merger. In 2001, the affiliate general and administrative expenses were the result of direct billings. Prior to 2001, expenses were allocated based on the percentage of time spent on wireless-related activities. The percentage used was determined by annual time studies. The Partnership believes these allocations were reasonable.

(b) On April 3, 2000, Vodafone, Verizon Communications and the Partnership entered into an employee secondment agreement pursuant to which Vodafone agreed to loan approximately 14,000 of its employees to the Partnership until December 31, 2000. During the period, the loaned employees continued to be paid by Vodafone and performed services exclusively for the Partnership, which reimbursed Vodafone for their salaries, benefits and

any relocation expenses. The Partnership reimbursed Vodafone $657 in 2000. All loaned employees became employees of the Partnership on January 1, 2001.

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Under the terms of the partnership agreement between Verizon Communications and Vodafone, the Partnership is required to make annual distributions to its partners to pay taxes. Additionally, the Partnership is required, subject to compliance with specified financial tests, to pay distributions to the partners based upon a calculation specified in the partnership agreement.

Based on the financial tests performed, a $1,113 million distribution will be made to the partners in February 2003 for the period July through December 2002. Concurrent with this payment, the Partnership will make a supplemental distribution in 2003 of $112 million to the partners with respect to the period from April 2000 to June 2002. In August 2002, an $862 million distribution was made to the partners for the period January through June 30, 2002. In February 2001, a $691 million distribution was made to the partners for the period July through December 31, 2000. There have been no distributions made in respect of the 2001 calendar year due to the result of the financial tests mentioned above.

In December 2002, a 57.13% partnership interest in Pennsylvania RSA6 (B1), valued at approximately $24 million, was contributed to the Partnership from Verizon Communications. In December 2001, approximately $25 million of proceeds related to the sale of an asset associated with an overlap property were received directly by Verizon Communications. In connection with the sale of overlapping properties by Verizon Communications in 2001 and 2000, non-cash proceeds of approximately $1.5 billion were generated and were fully utilized for the purchase of certain properties. In accordance with the U.S. Wireless Alliance Agreement with Vodafone, in the first quarter of 2001, the Partnership recorded an equity contribution from Verizon Communications, relieving the affiliate payable (see Note 5).

Upon finalization of the disposition of certain overlap wireless properties, the Partnership may be required to make additional distributions or may receive additional contributions from Verizon Communications or Vodafone to reflect the proportionate ownership of the two partners in accordance with the Alliance Agreement. Management is unable to estimate the impact this may have on the financial position of the Partnership as negotiations between Verizon Communications and Vodafone regarding the finalization of the disposition of the overlap wireless properties is not complete.

15. Commitments and Contingencies

Under the terms of the investment agreement entered into among the Partnership, Verizon Communications and Vodafone on April 3, 2000, Vodafone may require the Partnership to purchase up to an aggregate of $20 billion of Vodafone's interest in the Partnership, at its then fair market value, with up to $10 billion redeemable in July 2003 and/or 2004 and the remainder in July 2005, 2006 and/or 2007. Verizon Communications has the right, exercisable at its sole discretion, to purchase all or a portion of this interest instead of the Partnership. However, even if Verizon Communications exercises this right, Vodafone has the option to require the Partnership to purchase up to $7.5 billion of this interest redeemable in July 2005, 2006 and/or 2007 with cash or contributed debt. Accordingly, $20 billion of partners' capital has been classified as redeemable on the accompanying consolidated balance sheets.

The Alliance Agreement contains a provision, subject to specified limitations, that requires Vodafone and Verizon Communications to indemnify the Partnership for certain contingencies, excluding PrimeCo contingencies, arising prior to the formation of Verizon Wireless.

The Partnership is subject to several lawsuits and other claims including class actions, product liability, patent infringement, antitrust, partnership disputes, and claims involving the Partnership's relations with resellers and agents. The Partnership is also defending lawsuits filed against the Partnership and other participants in the wireless industry alleging various adverse effects as a result of wireless phone usage. Various consumer class action lawsuits allege that the Partnership breached contracts with consumers, violated certain state consumer protection laws and other statutes and defrauded customers through concealed or misleading billing practices. These matters may involve indemnification obligations by third parties and/or affiliated parties covering all or part of any potential damage awards against the Partnership and/or insurance coverage. Attorney Generals in a number of states also are investigating certain sales, marketing and advertising practices.

All of the above matters are subject to many uncertainties, and outcomes are not predictable with assurance. Consequently, the ultimate liability with respect to these matters at December 31, 2002 cannot be ascertained. The potential effect, if any, on the consolidated financial condition and results

of operations of the Partnership, in the period in which these matters are resolved, may be material.

In addition to the aforementioned matters, the Partnership is subject to various other legal actions and claims in the normal course of business. While the Partnership's legal counsel cannot give assurance as to the outcome of each of these other matters, in management's opinion, based on the advice of such legal counsel, the ultimate liability with respect to any of these actions, or all of them combined, will not materially affect the combined financial position or operating results of the Partnership.

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On March 19, 2001, the Partnership awarded a three-year, approximately $5 billion supply contract to telecommunications equipment maker Lucent Technologies Inc. ("Lucent"). The contract makes Lucent the largest supplier of high-speed, high-capacity wireless infrastructure to the Partnership. As of December 2002, the remaining commitment was approximately $1.8 billion.

FCC Auction

In December 2000, the FCC began an auction of Personal Communications Service ("PCS") licenses that had been awarded in previous license grants but had been cancelled by the FCC and reclaimed from those bidders. The Partnership was the winning bidder for 113 of the 422 licenses offered. The Partnership agreed to pay a total bid price of approximately $8.8 billion upon receipt of the licenses and paid $1.8 billion as a deposit. There were no legal challenges to the Partnership's qualifications to acquire these licenses. The Partnership was awarded 33 of the 113 licenses in August 2001 and paid approximately $82 million for them. However, the remaining licenses for which the Partnership was the high bidder have been the subject of litigation by the original licensees, NextWave Personal Communications Inc. and NextWave Power Partners, Inc. (collectively "NextWave"). In June 2001 a federal appeals court ruled that the FCC's cancellation of NextWave's licenses violated the federal bankruptcy law. The FCC appealed that decision to the United States Supreme Court. Oral argument on the appeal was heard in October 2002, and the decision remained pending at December 31, 2002. On January 27, 2003, the Supreme Court opinion affirmed the lower court decision ordering the FCC to return the auction spectrum to NextWave.

In January 2002, the Partnership and most other bidders filed a petition with the FCC to refund their deposits on the ground that the FCC could not timely deliver the licenses to them. In March 2002, the FCC ordered a refund of 85% of the deposits but determined that it would retain the balance pending the outcome of the Supreme Court case. In November 2002, however, the FCC decided to refund the remaining balance for those bidders that wanted to dismiss their applications and to thereupon relieve those bidders of their obligations. In December 2002, the Partnership dismissed its applications and received back in full its remaining deposit of $261 million.

Proposed Acquisitions

On December 19, 2002, the Partnership signed an agreement with Northcoast Communications LLC, to purchase 50 PCS licenses and related network assets, for approximately $750 million in cash. The licenses cover large portions of the East Coast and Midwest and the total population served by the licenses is approximately 47 million. The transaction is expected to close during the second quarter of 2003.

16. Subsequent Events

On January 29, 2003, the Partnership withdrew its registration statement for an initial public offering of equity securities, filed with the SEC.

In February 2003, the Partnership purchased a 66% general partnership interest in Virginia 10 RSA Limited Partnership ("Virginia 10") for approximately $37 million from Shenandoah Mobile Company, a wholly-owned direct subsidiary of Shenandoah Telecommunications Company, bringing its total interest in Virginia 10 to 67%.

On March 4, 2003, Verizon Communications purchased a minority interest in one of its subsidiaries that is a partner in the Partnership for approximately $98 million. Pursuant to a preexisting agreement, the Partnership reimbursed Verizon Communications for this amount.

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INDEPENDENT AUDITORS' REPORT

To the Board of Representatives and Partners of
Cellco Partnership d/b/a Verizon Wireless

We have audited the consolidated financial statements of Cellco Partnership d/b/a Verizon Wireless (the "Partnership") as of December 31, 2002 and 2001, and for each of the three years in the period ended December 31, 2002, and have issued our report thereon dated January 28, 2003 (March 4, 2003 as to Note 16), (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the Partnership's change in method of accounting for goodwill and other intangible assets to conform to Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets" in fiscal 2002, and the Company's change in method of accounting for derivative instruments and hedging activities to conform to SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities", in fiscal 2001); such financial statements and report are included elsewhere in this Form 10-K. Our audits also included the consolidated financial statement schedule of the Company, listed in Item 15. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Deloitte & Touche LLP
New York, New York
January 28, 2003

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Schedule II - Valuation and Qualifying Accounts
Cellco Partnership (d/b/a Verizon Wireless)

<TABLE>

(in millions)	Balance at beginning of the year	Additions charged to operations	Write-offs, net of recoveries	Balance at end of the year
<S>	<C>	<C>	<C>	<C>
Accounts Receivable Allowances:				
2002	$ 324	$ 442	$ (448)	$ 282
2001	$ 198	$ 649	$ (523)	$ 324
2000	$ 84	$ 470	$ (356)	$ 198
Inventory Allowances:				
2002	$ 13	$ 68	$ (65)	$ 16
2001	$ 21	$ 124	$ (132)	$ 13
2000	$ 13	$ 82	$ (74)	$ 21

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Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Cellco Partnership

Date March 27, 2003 By /s/ Andrew N. Halford

Andrew N. Halford
Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<TABLE>

Principal Executive Officer:		
<S>	<C>	<C>
/s/ Dennis F. Strigl Dennis F. Strigl	President and Chief Executive Officer	March 27, 2003
Principal Financial and Accounting Officer:		
/s/ Andrew N. Halford Andrew N. Halford	Vice President and Chief Financial Officer	March 27, 2003

</TABLE>

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Signatures - Continued

*	Chairman of the Board of Representatives	March 27, 2003
(Ivan G. Seidenberg)		
*	Representative	March 27, 2003
(Sir Christopher Gent)		
*	Representative	March 27, 2003
(Lawrence T. Babbio, Jr.)		
*	Representative	March 27, 2003
(Doreen A. Toben)		
*	Representative	March 27, 2003
(Kenneth J. Hydon)		
*	Representative	March 27, 2003
(Tomas Isaksson)		

*By: /s/ Dennis F. Strigl
(Dennis F. Strigl)
Co-Attorney-in-Fact

*By: /s/ Andrew N. Halford
(Andrew N. Halford)
Co-Attorney-in-Fact

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I, Dennis F. Strigl, certify that:

1. I have reviewed this annual report on Form 10-K of Cellco Partnership;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 27, 2003

/s/ Dennis F. Strigl

Dennis F. Strigl
President and Chief Executive Officer

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I, Andrew N. Halford, certify that:

1. I have reviewed this annual report on Form 10-K of Cellco Partnership;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 27, 2003

/s/ Andrew N. Halford

Andrew N. Halford
Vice President and Chief Financial Officer

EXHIBIT 10.23

Vodafone Group Services Ltd

31 January 2002

STRICTLY PERSONAL - ADDRESSEE ONLY

Andy Halford
Vodafone UK

Dear Andy

Following our discussions, I am pleased to confirm the terms of employment which will apply to your proposed Long Term Assignment to Verizon Wireless (known as Host Company) in the USA (known as Host Country). This offer should be read in conjunction with the Group International Assignment Policy (IAP) which you should familiarise yourself with. Where there is a material difference between the terms of this letter and the IAP, as opposed to any omissions, then the terms of this letter shall prevail.

Your Primary Employment remains with your Home Company as defined in the IAP.

A THE ASSIGNMENT

Position and Duties

Your position during the assignment will be Chief Financial Officer reporting to Denny Strigl, CEO of Verizon Wireless. Your duties will be as described by Denny.

Status

The basis of the Assignment will be Accompanied status.

Period of Assignment

The period of Assignment in the Host Country will be for 24 months with effect from 1 April 2002, except if terminated earlier in accordance with Section D below. Should it be mutually agreed, the Assignment may be extended at which time the terms and conditions of the Assignment will be reviewed.

Hours of Work

Your working hours will be in accordance with Host Company practice and the operational needs of your role.

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Immigration Approval

This Assignment offer is made subject to al]. the necessary permits/visas required for living and working in the Host Country being granted and the Assignment cannot commence before this authority is given. You may use Cendant Relocation (see attached contact sheet) to assist with the application process with all the associated costs paid for by the Company.

Travel to Host Country

The Host Company will fund air travel for you and your family in accordance with your home company travel policy at the start of your Assignment.

B HOME BASE BENEFITS

Base Salary

Your basic salary will be increased to (pound)250,000 with effect from the commencement of the assignment. Your Home Base Salary will be the starting point for the calculation of your Assignment Salary. All salary payments will, be made by your Home Company into a bank account in your Home Country.

IPO Compensation

It is recognised that you are taking this role because of the prospect that Verizon Wireless will launch an IPO during 2002. As this is not certain the Company agrees that in the event that the IPO does NOT take place during your assignment, you will receive an additional Special Bonus of (pound)100,000 in additional remuneration and compensation.

Pension

Wherever possible your membership of your Home Company pension scheme will continue with contributions calculated using your Home Base Salary.

Insurance

Your membership of your Home Company life insurance schemes will continue with contributions/benefits calculated using your Home Base Salary.

Cash Incentives/bonuses

Your membership of your Home Company bonus/incentives will continue with payments as before. However your STIP criteria will be based on Verizon Wireless targets from the start date of your assignment subject to a guaranteed payment at a

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minimum of 80% of your target bonus for the Financial Year 2002/3. Your LTIP will remain unchanged.

Over the period of the Assignment, your collective tax and social security liabilities in relation to income arising from these schemes will be no greater than had you remained in your Home Country and these liabilities will arise no earlier than they would have done in your home location. All calculations will be provided by PricewaterhouseCoopers (PwC), the Group's advisors on overseas personal tax matters,

Share/Stock Plans

Your participation in your current Home Company plans will continue except where plan rules or the applicable legislation prevents this. The level of your participation will be determined in accordance with Home Company practice.

Over the period of the Assignment, your collective tax and social security liabilities in relation to income arising from these schemes will be no greater than had you remained in your Home Country and these liabilities will arise no earlier than they would have done in your home location. All calculations will be provided by PriceWaterhouseCoopers (PwC), the Group's advisors on overseas personal tax matters.

It is your responsibility to notify PwC at least 5 working days in advance of any potential events relating to these share plans over which you have discretion (eg exercise of a share option). This should allow sufficient time for any potential complications to be considered.

Holiday Entitlement

Your Home Company holiday entitlement will continue but with actual days to be taken to be approved locally. You will observe Host Country Statutory Holidays while on assignment.

Subject to approval, all Host Country holiday entitlement accrued while on the Assignment should be taken before returning to the Home Country. Where this is not possible, you may be compensated for up to 10 days calculated using Home Base Salary.

C ASSIGNMENT BENEFITS

Assignment Salary Build-up

Your Assignment Salary will be calculated using a build-up approach that will provide an incentive to reward you for working internationally.

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It also takes account of any tax, social security and cost of living differentials between the Home and Host location.

In summary, the build-up starts with your Home ease Salary and then deducts estimated Home tax and social security payments due on cash and benefits. Your Assignment allowances will then be added to give the net build-up salary.

Your net pay excluding bonus payments will be (pound)254,101 per annum, adjusted for salary reviews each July.

Full details or your Assignment Salary are contained in the Assignment Salary Build-Up Sheet attached.

Additional Responsibility Allowance

You will be eligible for an Additional Responsibility Allowance of (pound)75,000 per annum paid monthly within your net pay above. This is designed to provide additional compensation for the special circumstances of your working in the USA.

Company Car

A fully expensed car for business and private use will be provided in accordance with the Host Company policy.

Home Leave

Every 3 months a return business air flight will, be provided for you and your Family to return to your Home Country or visit the Host Country. You may take a combination of business and economy class air fares so long as the aggregate value does to exceed the above.

Medical Issues

Examinations & Vaccinations

Prior to your Assignment you and your Accompanying Family are required to obtain medical certification confirming fitness to travel to, reside and work in the Host Country. You must also ensure that all the recommended vaccinations have taken place before travelling. The fees for the medical consultations and vaccinations will be paid for initially by the Home Company.

Relocation Support

Lump Sum Payment

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A one-off payment equal to one month's annual Home Base Salary will be paid on commencing the Assignment

Relocation Assistance

You will be provided with pre-departure and on-arrival support by Cendant Relocation (see contact sheet attached).

Shipment of Personal Possessions

You may transport up to 18 cubic metres of personal belongings (not furniture) via an approved shipping agent. You will be responsible for any customs duties incurred on the import of personal belongings.

Excess Baggage

You will be provided with additional excess baggage of 50 kg per person in addition to the normal allowance at the beginning and end of the Assignment.

Accommodation

Temporary Accommodation on Arrival in Host Country

If leased accommodation is not yet available you will be provided with up to 4 weeks hotel or serviced apartment accommodation. During this time reasonable out of pocket expenses will be reimbursed against receipts.

Housing

Host Company funded leased accommodation will be provided up to a monthly cost to be agreed.

Utilities

Reasonable costs for utilities (gas, electricity and water) will be paid for or reimbursed by the Host Company.

Telephones

The Host Company will. reimburse the installation cost of 2 fixed lines and subsequent line rental. All business calls and up to 2 hours per week of personal call charges will be paid for. An additional, mobile phone will, be provided for you and your partner for business related calls whilst on the Assignment and you may continue to use your present company and staff scheme UK mobile phones.

Furnishings/Furniture Allowance

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Accommodation should normally be fully furnished but where this is not possible furniture may be leased within an agreed budget and will remain the property of the Host Company.

Education Support

Schooling

The Host Company will reimburse the cost of schooling for accompanying school age Dependent Children within an agreed budget and any incremental costs of non-accompanying children (eg boarding fees in excess of day fees, taxis) will also be reimbursed.

Partner Assistance

Recognising that your partner is unlikely to be able to continue her career in the Host Country and will be spending some time in the Home Country looking after non-accompanying children, your present car allowance and mortgage subsidy payments will continue throughout the Assignment.

Insurance

Medical

Medical and dental insurance schemes will be provided, subject to initial pre-Assignment medical clearance being obtained.

Personal Effects

Cover for items up to a cost of (pound)5000 per item will be provided when belongings are in transit either to the Host Country at the start or back to the Home Country at the end of the Assignment only.

Social Security

Wherever possible you will remain within your Home Country social security system and an application will. be made to continue these deductions during the Assignment.

Taxation

PricewaterhouseCoopers (PwC), the Group's advisors on personal tax matters (see contact sheet attached) will provide assistance with both Home and Host Country tax filing

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obligations. You must attend a pre-assignment briefing with these advisors.

You will receive a net income derived from your Home Base Salary as set out in the attached build up sheet.

The Company will assume the obligation to pay the actual Host Country tax liabilities arising in respect of company source income. Any calculations will be performed by PwC to ensure that you receive the net salary shown in the Salary Build-up sheet which is attached.

D TERMINATION OF ASSIGNMENT

Early Termination by the Host Company

The Host Company reserves the right to terminate the assignment and return you to your Home Country at any time during the period of the Assignment if

- The Host Country authorities cancel work permit/visa clearance.
- The work cannot be continued in the Host Country due to changes in local business needs or market conditions.
- You fail to perform your Assignment role satisfactorily and fail to achieve your agreed objectives.
- You are unable to work due to an illness that is expected to continue for longer than 3 months.

Early Termination by the Employee

If you wish to terminate the Assignment itself and return to your Home Country, you are required to confirm this in writing to Host and Home Companies stating your reasons. The period of notice in your Primary Employment Contract will normally apply.

If you wish to resign from the Vodafone Group during the Assignment you are required to provide written notice to both Home and Host Companies with the notice period of your Primary Employment Contract applying. You may be required to reimburse a proportion of the costs incurred during this Assignment, as stated in the IAP.

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Your Returning Role

On completion of the Assignment you will return to the Home Country and the Company undertakes to use its best endeavours to offer you a position equivalent or better than your current role. In the event that you are offered a financial or operational position which is not equivalent to your present role, you will have the option to accept this role or decline. If you decline this role the Company undertakes to provide a redundancy package for you which will treat you as a `good leaver' under incentive schemes and also include a severance payment not less than equivalent to one year's salary and STIP payment.

Retention Payment

The Company is keen that you return to a new role in the Group on successful completion of this assignment and therefore commits to pay a Retention payment equivalent to 12 months salary. This payment will be paid on the completion of your assignment but is repayable if you leave within 12 months, on a pro-rata basis.

Return to Host Country

The Host Company will fund air travel. for you and your family in accordance with your home company travel policy at the end of your Assignment.

Relocation Support on Return

Cendant Relocation will provide support in the following areas if applicable

- Temporary accommodation
- School Admissions
- Shipment and storage of personal possessions

Tax Assistance

You are required to attend a post-Assignment briefing with PwC, the Company's advisors on personal tax matters.

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E GOVERNING LAW

These terms and conditions and other contractual documents to which they relate shall be governed by and take effect in all aspects according to Home Country Law.

A duplicate copy of this letter is enclosed. Would you please sign this letter and return it to me to confirm your acceptance of the Assignment. I will then discuss the various details with you in due course.

Yours sincerely

Phil Williams

I hereby accept the terms and conditions of this Assignment to Verizon Wireless in the USA as described above together with the provisions of the IAP.

Signed: /s/ Andrew Halford

Dated: April 2, 2002

Enclosures: Salary Build-up Sheet
International Assignment Policy (IAP)
Contact Sheet

EXHIBIT 10.46

BELL ATLANTIC EXECUTIVE MANAGEMENT RETIREMENT INCOME PLAN

Restated as of January 1, 1996

ARTICLE 1. STATEMENT OF PURPOSE

The purpose of this Plan is to provide supplementary pension payments to Executive Managers of Bell Atlantic and certain of its affiliated companies that have elected to participate in this Plan. The Plan provides pension benefits for Executive Managers with at least five Years of Service (and their Beneficiaries) upon retirement or upon Separation from Service for certain other reasons. The amount of the pension benefit under the Plan is based upon factors which take account of Years of Service and Final Average Pay.

This Plan was adopted on May 1, 1991, retroactive to January 1, 1991, for Executive Managers in active service on and after January 1, 1991. The terms of this Plan document (as it may be amended from time to time) shall apply to Executive Managers who retire or separate from a Bell Atlantic Company with a Separation from Service Date of May 1, 1991 or any date thereafter. For Executive Managers with a Separation from Service Date prior to January 1, 1991, this Plan shall not be applicable.

ARTICLE 2. DEFINITIONS

2.1 "Appeals Committee" means a committee comprised of the Vice President - Human Resources of Bell Atlantic, and such other persons (if any) as the Vice President - Human Resources may designate from time to time.

2.2 "Bell Atlantic" means Bell Atlantic Corporation, a Delaware corporation. Any reference to the "Board of Directors", the "Human Resources Committee", or to the title of any officer, shall mean the Board of Directors, the Human Resources Committee of the Board of Directors, or the respective officer, as the case may be, of Bell Atlantic.

2.3 "Bell Atlantic Company" means Bell Atlantic and each of its direct and indirect corporate subsidiaries (whether wholly or majority owned), and each partnership in which a Bell Atlantic Company has a 51% or greater partnership interest.

2.4 "Bellcore" means Bell Communications Research, Inc., an indirect minority-owned subsidiary of Bell Atlantic.

2.5 "Beneficiary" means the surviving spouse of an Executive Manager (with respect to the survivor annuity provisions of this Plan). For this purpose, the "spouse" shall mean the person (if any) to whom the Executive Manager is married on the Separation from Service Date (if that spouse survives the Executive Manager).

2.6 "Claims Committee" means a committee of one or more persons consisting of the Plan Administrator and such other persons (if any) as the Plan Administrator may designate from time to time.

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2.7 "Disability Pension" shall have the meaning stated in Section 4.3.

2.8 "Executive Manager" shall mean an active or former employee who is serving (who was serving at the time of his or her Separation from Service) as an employee, other than an Executive Manager, of a Participating Company, and who holds (or held at the time of his or her Separation from Service) a position compensated at Salary Grade E or above, or a salary grade or rank that is considered by the Plan Administrator to be equivalent to Salary Grade E or above, unless and until the status of Executive Manager is revoked. The Vice President - Human Resources may, in that officer's sole discretion, revoke Executive Manager status in the event, and as of the date, of either (a) the demotion or downgrade of an Executive Manager, or (b) upon the occurrence of any forfeiture event stated under Section 4.4 hereof; provided, however, that under no circumstances shall the Vice President - Human Resources, or any officer or the board of directors of any Bell Atlantic Company, take any action on or after the occurrence of a Hostile Change of Control to revoke, or construe as revoked, the Executive Manager status of any person who had Executive Manager status immediately prior to the Hostile Change of Control.

2.9 "Final Average Pay" means an Executive Manager's average annual Pay for the five years of highest Pay among the last ten years, to and including the calendar year of the Executive Manager's Separation from Service.

2.10 "Grantor Trusts" means the one or more trusts described in the Bell Atlantic Rabbi Trust Agreement and any similar trust agreements to which one or more Bell Atlantic Companies are parties as co-grantors, and which are designed (i) to qualify as grantor trusts within the meaning of Sections 671 through 679 of the Internal Revenue Code, and (ii) to satisfy the rules applicable to so-called "rabbi trusts" as described in rulings and announcements of the Internal Revenue Service and the Department of Labor.

2.11 "Hostile Change of Control" means a "Hostile Change of Control" as that term is defined in the Bell Atlantic Management Pension Plan, as it may be amended from time to time.

2.12 "Mandatory Retirement Age" shall have the following meaning (except as otherwise provided by any applicable state or local law which is not pre-empted by Federal law):

(a) age 65, in the case of any employee who has attained age 65, and who, for the two-year period immediately prior to his Separation from Service, is employed as an Executive Manager or in any other bona fide executive or policy making position and would, in the event of retirement at such time, be entitled to an immediate retirement benefit of not less than $44,000 per annum, in the aggregate, from any one or more Qualified Pension Plans in which the Executive Manager has a non-forfeitable accrued benefit; and

(b) in the case of any other employee, there shall be no Mandatory Retirement Age.

2.13 "Mid-Career Pension Plan" means the terms and conditions of the Bell Atlantic Mid-Career Pension Plan, as they existed on May 1, 1991.

2.14 "Participating Company" shall mean, at a given point in time, a Bell Atlantic Company which is an employing company that is then participating in either the Bell Atlantic Management Pension Plan, the Bell Atlantic Enterprises Retirement Plan, the Bell Atlantic Capital Corporation Retirement Plan (except Bell Atlantic Systems Leasing International, Inc.), or the

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Chesapeake Directory Sales Company Pension Plan. The Participating Companies are listed on Schedule 1 of this Plan, as that schedule may be amended from time to time.

2.15 "Pay" shall not include any compensation paid by a company that is not a Participating Company (except that Pay may include salary and short-term bonus compensation paid by a company that is not a Bell Atlantic Company but for which prior service credit is granted for benefit-accrual purposes under a Qualified Pension Plan of a Participating Company). Pay shall mean the gross amount (before reduction for tax withholding, or for pre-tax or after-tax contributions to any employee benefit plans) of the sum of:

(a) the total base recurring salary earned by the Executive Manager for a 12-month period (or a portion of any such period) during which he was an employee of one or more Participating Companies; plus

(b) the gross amount of the Short Term Incentive Award(s) earned and awarded under one or more applicable Short Term Incentive Plans for performance for one or more Participating Companies during all or part of such 12 month (or lesser) period; provided, however, that the maximum amount of such one or more bonuses which shall be eligible to be taken into account as Pay under this Plan shall be an amount not greater than 100% of the base recurring salary earned by the Executive Manager during the same period of time that corresponds to the performance period taken into account for such bonus(es).

Solely for purposes of this Section, all references to forms of remuneration paid by one or more "Bell Atlantic Companies" shall, in the case of an Executive Manager who is on an approved rotational assignment to Bellcore, be deemed to include the corresponding forms of remuneration earned by the Executive Manager while employed by Bellcore, but only such remuneration which is earned while the Executive Manager retains the status of Bellcore rotational.

2.16 "Paying Agent" shall mean Bell Atlantic Administrative Services, Inc., or any other Bell Atlantic Company which is designated by the Plan Administrator from time to time, in such company's capacity as agent for the Participating Companies in the performance of the payroll function of disbursing any and all benefits which are payable under the terms of this Plan.

2.17 "Pension Commencement Date" shall be the date as of which the benefit under this Plan shall be payable, which is not to be confused with the first date on which a benefit payment will be transmitted to the Executive Manager (which will typically occur up to 90 days following the Pension Commencement Date). For an Executive Manager with a vested accrued benefit under a Qualified Pension Plan, the Pension Commencement Date under this Plan must be the same as the benefit commencement date under the Qualified Pension Plan.

2.18 "Plan" or "ERIP" shall mean this Bell Atlantic Executive Management Retirement Income Plan, as it is described herein and as it may be amended from time to time.

2.19 "Plan Administrator" shall mean the Vice President - Human Resources of Bell Atlantic, or the person to whom the Vice President - Human Resources delegates in writing the responsibility to serve as Plan Administrator.

2.20 "Post-Separation Pension" shall have the meaning stated in Section 4.2 of this Plan.

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2.21 "Qualified Pension Benefits" shall mean the aggregate of the one or more pension benefits actually payable (whether from trust assets or company assets) to an Executive Manager (or, subsequent to an Executive Manager's death, to his Beneficiaries) for a calendar year (before deducting any taxes which may be withheld for such year) under the terms of the one or more Qualified Pension Plans in which the Executive Manager has accrued vested benefits, taking into account all elements of the pension calculation, including without limitation (i) the form in which the benefit is being paid (whether as a single-life annuity or a joint and survivor annuity), and (ii) any early retirement discount and actuarial reduction which may be applicable under the terms of the Qualified Pension Plans based on the Pension Commencement Date.

2.22 "Qualified Pension Formula Benefits" shall mean the amount of an Executive Manager's Qualified Pension Benefits under only those Qualified Pension Plans which are described in Section 2.22(a) hereof, but calculated without taking account of any limitations imposed by Section 415 of the Internal Revenue Code.

2.23 "Qualified Pension Plans" shall mean the defined-benefit pension plans designed to be qualified under Section 401(a) of the Internal Revenue Code and sponsored by a Bell Atlantic Company.

2.24 "Replacement Pay Percentage" shall have the meaning stated in Section 5.3 hereof.

2.25 "Retirement Pension" shall have the meaning stated in Section 4.1 of this Plan.

2.26 "Separation from Service" means the termination of employment of an Executive Manager for any reason, including, without limitation, retirement, disability, resignation, discharge, other voluntary or involuntary termination, failure to return to duty upon recovery from a disability or at the expiration of a recognized leave of absence or approved rotational assignment, or death, but not including (i) commencement of an approved leave of absence or rotational assignment, or (ii) transfer to another Bell Atlantic Company.

2.27 "Separation from Service Date" means, in the event of an Executive Manager's Separation from Service, the first day following the last day on which an Executive Manager is treated as being on the payroll of a Bell Atlantic Company as an employee in active service or on an approved leave or rotational assignment.

2.28 "Short Term Incentive Award" means the amount (if any) awarded to an Executive Manager after the end of a performance period of 12 months or less, pursuant to the terms of a short-term cash or stock incentive or bonus plan, which is maintained by a Participating Company, and in which the Executive Manager then participates. The term Short Term Incentive Award refers to the gross amount earned (before any applicable tax withholding) for the performance period, whether such amount is paid in cash during the performance period or at a future date. In the case of an award of cash and deferred stock under the terms of a plan (such as the Bell Atlantic Executive Management Annual Bonus Plan) which delivers incentive awards in whole or in part in the form of shares or deferred shares, the full value of the cash and/or stock award for the short-term performance period in service with a Participating Company shall be taken into account for purposes of this Plan as though the Executive Manager had a right to receive the full value of such award in cash on that date. In the case of an award partly in cash and partly in stock options (such as awards for 1994 and 1995 in tandem with grants of "Options Plus" stock options) the gross value of the award (including both the cash portion and the Black-Scholes grant value of

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the options) shall be included in the Short Term Incentive Award. Any distribution from any incentive plan based on either (i) an overall performance period, or (ii) a period of deferred payout during which a deferred amount is at risk based on ongoing company performance criteria, where the performance period or at-risk deferral period is in aggregate longer than 12 months, shall be considered to be a long term incentive award, and shall therefore not be eligible to be treated as a Short Term Incentive Award for purposes of this Plan.

2.29 "Short Term Incentive Plan" means each or any of the cash incentive or bonus plans maintained by Participating Companies, which provide for the payment of Short Term Incentive Awards (as defined in Section 2.28) for Executive Managers, whether or not employees other than Executive Managers are also eligible to participate under such Short Term Incentive Plan.

2.30 "Target Automatic Survivor Annuity" shall have the meaning stated in Section 7.1(b)(ii) hereof. "Automatic Survivor Annuity" shall have the meaning stated in Section 7.1(b)(i) hereof.

2.31 "Target Pension" means a pension, expressed as an annual amount calculated in the manner described in Article 5 of this Plan, which is intended to represent the total pension benefit for which an Executive Manager is eligible under all defined-benefit pension plans which are maintained by any Bell Atlantic Company, including, without limitation, benefits under this Plan and under the Qualified Pension Plans.

2.32 "Totally Disabled" and "Total Disability" shall have the following meaning: an Executive Manager shall be considered to be Totally Disabled and to be subject to a Total Disability if, on and after the completion of the 26- or 52-week period of disability benefits (whichever is applicable) through the date on which the employer terminates the Executive Manager's employment due to disability, the Executive Manager continues to suffer from a physical or mental impairment which qualifies the Executive Manager for disability benefits under the disability plan or plans maintained by the Executive Manager's employing company.

2.33 "Years of Service", except as expressly limited or stated elsewhere in the Plan, shall mean the aggregate (without double counting) of all periods of service with a Participating Company for which the Executive Manager is credited for benefit accrual purposes under the terms of the one or more Qualified Pension Plans in which the Executive Manager has an accrued benefit, stated in terms of years and any fraction of a year. For benefit accrual purposes, Years of Service shall not include any period during which the Executive Manager is employed by any company which is not at that time a Participating Company (except a company for which prior service is credited for benefit accrual purposes under the Qualified Pension Plan of a Participating Company). For vesting and retirement eligibility service, Years of Service shall include service with any Bell Atlantic Company plus (without double counting) any years of prior service credited for vesting and retirement eligibility under a Qualified Pension Plan maintained by a Participating Company.

2.34 Gender Neutral. The use in this Plan of personal pronouns of the masculine gender is intended include both the masculine and feminine genders.

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ARTICLE 3. PARTICIPATION

3.1 Participation. Each Executive Manager of a Participating Company shall be a participant in this Plan on and after the date on which he becomes an Executive Manager, and shall remain a participant so long as he retains the status of Executive Manager.

3.2 Transfer to a Company that does not Participate in the Plan. Once an Executive Manager becomes a participant in this Plan by virtue of service as an Executive Manager of an employing company that is then a Participating Company, neither a subsequent transfer of that Executive Manager to the employ of a company that is not a Participating Company, nor the withdrawal of a Participating Company from participation in this Plan, shall cause the Executive Manager to forfeit the benefit that the Executive Manager accrued while serving as an Executive Manager of an employing company that was then a Participating Company. Except in the case of rotational service with Bellcore (which shall be credited for vesting, retirement eligibility and benefit accrual purposes), a participant's subsequent service with a company that is not a Participating Company shall be credited for vesting and retirement eligibility purposes but shall not be credited for benefit accrual purposes under this Plan.

3.3 Mandatory Retirement Age. Each Executive Manager for whom a Mandatory Retirement Age is applicable under Section 2.12(a) hereof shall be subject to mandatory Separation from Service, and shall cease to be eligible for hire in the capacity of an Executive Manager or Executive Manager by any Bell Atlantic Company, on and after the last day of the month in which such Executive Manager attains the Mandatory Retirement Age (whether or not he is then eligible for a Retirement Pension or Post-Separation Pension).

ARTICLE 4. TYPES OF PENSION; ELIGIBILITY; WHEN BENEFIT COMMENCES; FORFEITURE.

4.1 Retirement Pension.

(a) Eligibility. An Executive Manager shall be eligible for a Retirement Pension under this Plan upon his Separation from Service for any reason other than death, Total Disability, or cause (as defined in Section 4.4), if, on his Separation from Service Date, the following conditions are met:

(i) he or she is then an Executive Manager; and

(ii) he or she then has a combination of age and years of service (as calculated for retirement-eligibility purposes) on the Separation from Service Date that equals or exceeds any of the following combinations:

Age equal to or greater than:	Service equal to or greater than:
Any age	30 years
50	25 years
55	20 years
60	15 years
65	10 years

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(b) Benefit Commencement. The Retirement Pension shall be computed with reference to a commencement date which is the same as the benefit commencement date under the Qualified Pension Plan in which the Executive Manager participates.

4.2 Post-Separation Pension.

(a) Eligibility. An Executive Manager who is not eligible for a Retirement Pension under paragraph (a) above, or who Separates from Service on account of disability but fails to satisfy clause (ii) or (iii) of Section 4.3(a), shall be eligible for a Post-Separation Pension under this Plan in the event of his Separation from Service for any reason other than death or cause, if, on his Separation from Service Date, the following conditions are met:

(i) he or she is then an Executive Manager; and

(ii) he or she has then accrued five years of service for vesting purposes under the terms of at least one Qualified Pension Plan.

(b) Benefit Commencement; Actuarial Reduction Factors.

(i) A Post-Separation Pension shall commence on the same date as the benefit commencement date under the Qualified Pension Plan in which the Executive Manager participates (sometimes referred to herein as the "pension commencement date"). If the Executive Manager does not participate in a Qualified Pension Plan or has no vested benefit under any Qualified Pension Plan, the pension commencement date shall be the day following the Separation from Service Date.

(ii) In the event that the pension commencement date occurs prior to age 65, the Post-Separation Pension shall be subject to actuarial reduction in accordance with the same actuarial methods and assumptions which are used under the Bell Atlantic Cash Balance Plan to convert a single life annuity commencing at age 65 to an immediate single life annuity (including the use of a mortality-adjusted table of factors based on a discount rate (the "GATT rate") for the calendar quarter in which the Pension Commencement Date will occur). Furthermore, if applicable, the benefit may be converted to an alternate form of an annuity using the conversion factors stated in Section 5.2(c).

4.3 Disability Pension.

(a) Eligibility. An Executive Manager shall be eligible under this Plan for a Disability Pension in the form of an annuity if, on his or her Separation from Service Date, the following conditions are met:

(i) he or she is then an Executive Manager;

(ii) he or she has accrued at least 15 Years of Service; and

(iii) his or her employment is terminated by the employing company because of disability.

(b) Benefit Commencement and Cessation. A Disability Pension shall commence on the date as of which the Executive Manager commences a benefit under the Qualified Pension

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Plan. An Executive Manager may elect to waive a Disability Pension and to receive instead the Retirement Pension or Post-Separation Pension which he or she would have been eligible to receive in the absence of the disability. A Disability Pension shall cease in the event, and at the time, that the Executive Manager is found to be no longer Totally Disabled, at which time the benefit shall convert to a deferred Post-Separation Pension (with an actuarial reduction based on the individual's age at the time of commencing the Post-Separation Pension), or an immediate and unreduced Retirement Pension, depending upon the age and service of the Executive Manager on the Separation from Service Date.

(c) No Accrual During Disability. Notwithstanding the terms of any Qualified Pension Plan in which an Executive Manager who is receiving a Disability Pension may be a participant, for purposes of this Plan, no Years of Service shall accrue on or after the Separation from Service Date of the Executive Manager, unless the Executive Manager ceases to be Totally Disabled and is re-employed as an Executive Manager.

(d) Conversion to Retirement Pension. A Disability Pension which has commenced at any date prior to the date an Executive Manager attains age 65, and which continues through age 65, shall convert to a Retirement Pension on the date the Executive Manager attains age 65.

(e) Election of Unreduced Retirement Pension in Lieu of Disability Pension. An Executive Manager who is eligible to commence a Disability Pension, and who at that time also has sufficient age and service to qualify for an early or normal Retirement Pension, may elect to commence receiving a Retirement Pension in lieu of a Disability Pension; provided, however, that in such a case the Retirement Pension shall not be subject to any otherwise applicable early retirement discount; provided, further, that a Retirement Pension may only be elected in lieu of a Disability Pension under this Plan if the Executive Manager likewise has elected an unreduced service pension in lieu of a disability pension in accordance with the terms of the applicable Qualified Pension Plan in which he or she participates.

4.4 Forfeiture of Benefits. On any date prior to, but in no event at any time after, the occurrence of a Hostile Change of Control, the Human Resources Committee may, in its sole discretion, take action to cause to be forfeited all benefits for which an Executive Manager (and his or her Beneficiaries) would be otherwise eligible hereunder, under any of the following circumstances:

(a) the Executive Manager is discharged by his or her employing company for cause;

(b) the Human Resources Committee determines that the Executive Manager engaged in misconduct in connection with his or her employment with a Bell Atlantic Company; or

(c) the Human Resources Committee determines that the Executive Manager has breached his or her non-compete or proprietary information duties to Bell Atlantic. In furtherance of the prohibitions of this Plan against engaging in competitive activities or disclosing proprietary information, the following additional terms and conditions shall apply:

(i) During the first two years following an Executive Manager's Separation from Service Date, (1) a cash out under the Plan shall be available only if the Executive Manager signs a non-compete and proprietary information

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agreement, or delivers a copy of a previously executed agreement of that type which is then in force, in a form acceptable to the Plan Administrator with the advice of counsel, and (2) neither a cashout shall be paid nor an annuity shall commence under the Plan unless and until the Executive Manager delivers both: (a) written information sufficient to enable the Plan administrator to determine whether the Executive Manager's subsequent career plans or commitments will violate the applicable non-compete rule, and (b) an agreement to provide timely notice of any changed circumstances during the ensuing two years.

(ii) In addition to, and apart from, the Human Resource Committee's existing discretion to cause a forfeiture of an Executive Manager's pension if he or she violates the applicable non-compete rule, the Plan Administrator with the advice of counsel and the concurrence of the Chairman of the Human Resources Committee shall have the discretion, for up to two years, to suspend an Executive Manager's eligibility to cash out the benefit or commence an annuity under this Plan if the Executive Manager does not fully comply with applicable requirements of paragraph "(i)", or if there is evidence that further investigation would show that the Executive Manager is seeking to, or has, become involved with employment or business activities contrary to the applicable non-compete rule.

(iii) For purposes of this Plan, the definitions of prohibited competitive activities and prohibited disclosure of proprietary information shall be as stated in the terms and conditions of the form of non-compete and proprietary information agreement generally applicable to newly hired and promoted Executive Managers, as that form of agreement may exist on the Separation from Service Date; provided, however, that, for an Executive Manager who, on the Separation from Service Date, is subject to a previously executed non-compete and proprietary information agreement which then remains in force, the applicable definitions for purposes of this Plan shall be as stated in such prior agreement; provided, however, that nothing in this paragraph is intended to negate the provisions of the previous two paragraphs.

ARTICLE 5: AMOUNT OF PENSION BENEFIT

5.1 Pension Payable under this Plan. Subject to the special rules stated in Section 5.6 hereof, the annual amount of the pension to which an eligible Executive Manager shall be entitled under this Plan shall be equal to the Executive Manager's Target Pension, minus his or her Qualified Pension Benefits.

5.2 Target Pension. On his Separation from Service Date, an Executive Manager's Target Pension (expressed as an annuity) shall be equal to the greater of his Qualified Pension Formula Benefits (expressed as an immediate annuity), or:

(a) the product of:

(i) the Replacement Pay Percentage, times
(ii) Final Average Pay;

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(b) reduced (except in the case of a Disability Pension in the form of an annuity) by:

(i) any applicable early retirement reduction factor under Section 5.4, in the case of a Retirement Pension; or

(ii) any applicable actuarial reduction factor under Section 5.5, in the case of a Post-Separation Pension; and

(c) if the benefit is paid in any form of annuity other than a single life annuity, the portion of the benefit that is paid in that form shall be further reduced by the applicable factor which, under the terms of the Qualified Pension Plan, is to be used to convert a single life annuity to an annuity of the form elected by the Executive Manager.

5.3 Replacement Pay Percentage. An Executive Manager's Replacement Pay Percentage shall be measured as of his Separation from Service Date, and shall be equal to the sum of:

(a) two percentage points (2%) for each of his first 20 Years of Service;

(b) one and a half percentage points (1.5%) for each of his next 10 Years of Service; plus

(c) one percentage point (1%) for each of his next 5 Years of Service; and

(d) no further percentage points for any additional Years of Service thereafter.

For an Executive Manager with less than 35 Years of Service, where the Executive Manager has accrued a fraction of a Year of Service in addition to a whole number of years, then such Executive Manager shall be credited with the product of (i) that fraction, times (ii) the number of percentage points that would be credited for the next full year.

5.4 Early Retirement Reduction Factor. The early retirement reduction factor which is applicable to an Executive Manager's Retirement Pension shall be equal to the product of:

(a) five percent (5%), times

(b) the number of years and fraction of a year by which the Separation from Service Date precedes the date on which the Executive Manager attains age 60, where the "fraction of a year" is measured in twelfths based on the number of full (not partial) months;

provided, however, that the Vice President - Human Resources may, in that officer's sole discretion on a case-by-case basis, waive all or any portion of the early retirement reduction which would otherwise apply to an Executive Manager.

5.5 Post-Separation Actuarial Reduction Factor. In the case of a Post-Separation Pension in the form of an annuity which commences at any time prior to the date on which the Executive Manager attains age 65, the actuarial reduction factor shall be determined with reference to the date the Post-Separation Pension actually commences, based on actuarial assumptions in the forms of interest rates and mortality factors as prescribed in the Bell Atlantic Cash Balance Plan for the calendar quarter in which the day prior to the Pension Commencement

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Date occurs. In the case of a Post-Separation Pension commencing on or after the date the Executive Manager attains age 65, the actuarial reduction factor shall be zero. Notwithstanding any other provision of this Section 5.5, the Plan Administrator may, in his or her sole discretion on a case-by-case basis, waive all or any portion of the actuarial reduction which would otherwise apply to an Executive Manager whose Post-Separation Pension has commenced, or will commence, prior to age 65.

5.6 Mid-Career and ERISA Excess Pension Plans: Transition Rule. Notwithstanding any other provision of this Article 5, the Target Pension under Section 5.2 of this Plan, for which an Executive Manager is eligible as a consequence of his actual Separation from Service at any time on or after May 1, 1991, shall not be less, when expressed as a benefit in the form of a single-life annuity, than the aggregate pension amount (expressed as a single-life annuity) of the following pension benefits:

(i) the accrued benefit as of the actual Separation from Service Date, under the terms of the applicable Qualified Plan or Plans, and the Bell Atlantic ERISA Excess Pension Plan, as those plans are amended through the Separation from Service Date; and

(ii) the benefit (if any) which had accrued for the Executive Manager under the terms of the Mid-Career Pension Plan, as of May 1, 1991, if the Executive Manager would have been entitled to a benefit under that plan if he or she had a Separation from Service on that date, taking into account the Years of Service and compensation history he or she had accrued as of May 1, 1991 (including the January to April prorated portion of his or her actual Short-Term Incentive Award for performance in 1991), and the age he or she had attained on May 1, 1991.

5.7 1991 Permanent Frozen Minimum Benefit.

(a) Incentive-Eligible Employees. Each Executive Manager who, on December 15, 1991 (the "Window Date"), either (1) is eligible to retire on that date with an immediate Retirement Pension, or (2) would be eligible if both his or her age and Years of Service (for purposes of retirement eligibility) were each increased by three (3) years ("Incentive-Eligible Employees"), shall thereafter be eligible to retire with an immediate Retirement Pension, at any time on or after the Window Date. In addition, each Incentive-Eligible Employee who meets the requirements of subsection (b) below shall be eligible for the special benefits described in subsection (b), and each Incentive-Eligible Employee who meets the requirements of subsection (c) below shall be eligible for the special benefits described in subsection (c), subject to such limitations as may be described in those subsections.

(b) Permanent Frozen Minimum Benefit.

(1) Eligibility. Each Incentive-Eligible Employee described in subsection (a) who elects to retire on any date later than the Window Date, shall be eligible for the Permanent Frozen Minimum Benefit described in this subsection, upon his Separation from Service on or after the Window Date.

(2) Amount. The Target Pension of an Incentive-Eligible Employee whose Separation from Service occurs after the Window Date shall equal the greater of (i) his "Permanent Frozen Minimum Benefit" or (ii) his or her Retirement Pension as determined under the provisions of the Plan other than this Section 5.8 as in effect on his Separation from Service Date. An Incentive-Eligible Employee's Target Pension in the form of a "Permanent Frozen

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Minimum Benefit" shall be equal to the Target Pension that would be or would have been payable (as a single-life annuity) commencing as of the Window Date, determined under the terms of the Plan as in effect on the Window Date, but after:

(A) increasing the Employee's actual Years of Service for benefit accrual purposes as of December 15, 1991 by five (5) years; and

(B) increasing the Employee's actual age as of the Window Date by five (5) years, for purposes of determining any early retirement reduction under Section 5.2(b)(i).

The form and timing of the Permanent Frozen Minimum Benefit shall be as described in Section 6 of this Plan.

5.8 Transfers To and From Bell Atlantic Companies That Are Not Participating Companies.

(a) Service at Non-Participating Companies. Notwithstanding any other provision of this Plan, (i) a participant in this Plan shall not be entitled to additional pension accruals under the Plan for those years of service, and those dollars of compensation earned, during a period in which the participant is an employee of a Bell Atlantic Company that is not a Participating Company, but (ii) an Executive Manager shall not cease to be a participant in the Plan solely because he or she accepts a reassignment with, or becomes employed by, a Bell Atlantic Company that is not a Participating Company, so long as the individual retains "Executive Manager" status, as that term is interpreted by the Plan Administrator.

(b) Executive Manager Status. A downgrade to a position that the Plan Administrator determines is not considered have "Executive Manager" status shall result in the forfeiture of any and all accrued benefits under the Plan, whether or not such benefits are vested.

(c) Vesting and Retirement Eligibility Service. Notwithstanding the terms of Section 5.8(a), all periods of service with any Bell Atlantic Company, whether or not it is a Participating Company, shall be credited for purposes of vesting and retirement eligibility under this Plan. Moreover, periods of service with a company (including, without limitation, a company that is not a Bell Atlantic Company) that is credited for vesting and/or retirement eligibility purposes under a Qualified Pension Plan shall be credited in like manner under this Plan.

ARTICLE 6: FORM OF BENEFIT.

6.1 Unmarried Executive Managers. In the case of an Executive Manager who is not married on the pension commencement date, the pension benefit under Section 5.1 of this Plan shall be paid in accordance with the form of benefit elected by the Executive Manager under the Qualified Pension Plan in which the Executive Manager participates; provided, however, if an Executive Manager is eligible to, and elects to, cashout his or her benefit under a Qualified Pension Plan, the Executive Manager shall be eligible to elect a benefit under this Plan either (a) in any form of annuity which would have been available to the Executive Manager to elect under the then-existing terms of the Qualified Pension Plan (where the conversion from the amount of the single life annuity payable under this plan is converted to any other form of annuity using the applicable conversion factors of the Qualified Pension Plan), or (b) as a cashout as described in Section 6.4.

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6.2 Married Executive Managers.

(a) Forms of Benefit. In the case of an Executive Manager who is married on the pension commencement date, the pension benefit under Section 5.1 of this Plan shall be paid in accordance with the form of benefit elected by the Executive Manager under the Qualified Pension Plan in which the Executive Manager participates, subject to the applicable spousal consent rules of that plan; provided, however, if an Executive Manager elects, with the consent of his or her spouse, to cashout his or her benefit under a Qualified Pension Plan, the Executive Manager shall be eligible, with the consent of his or her spouse within 90 days of the Pension Commencement Date, to elect a benefit under this Plan either (a) in any form of annuity which would have been available to the Executive Manager to elect under the then-existing terms of the Qualified Pension Plan (where the conversion from the amount of the single life annuity payable under this plan is converted to any other form of annuity using the applicable conversion factors of the Qualified Pension Plan), or (b) as a cashout as described in Section 6.4.

(b) Marital Status. For purposes of this Plan, the Plan Administrator may require an Executive Manager or a person purporting to be a Beneficiary to present, and the Plan Administrator may rely upon without any duty to further investigate, any official documentary evidence of civil law marital status, such as a marriage certificate or record of marriage, or a court order or other record of divorce, issued by a court or governmental unit. Common law marriage shall not be recognized for purposes of this Plan.

6.3 Monthly Payments. Pension benefits in the form of an annuity shall be payable in monthly installments. The Plan Administrator shall endeavor to ensure that the annual Target Pension amount for any annuity is paid, as nearly as practicable, in twelve approximately equal monthly installments. The Plan Administrator may elect to cause the Paying Agent to pay a constant portion of each monthly installment from company assets under this Plan and to cause the trustee of the applicable Qualified Pension Plan to pay a complementary constant portion from the applicable qualified trust. Alternatively, the Plan Administrator may cause said trustee to pay the first installments in each calendar year from the Qualified Pension Plans until the amount payable under those plans is exhausted, and to cause the Paying Agent to pay the remaining installments for the year from company assets under this Plan.

6.4 Single-Sum Cash-Out.

(a) An Executive Manager shall be eligible to elect to receive the nonqualified pension benefit under Section 5.1 of this Plan either in the form of an annuity, as described in the applicable provisions of Section 6.1 or 6.2, or in the form of a cashout as described in this Section 6.4. An Executive Manager who is eligible for a Disability Pension may elect at the time of separation either to receive a Disability Pension in the form of an annuity with no early retirement or actuarial reduction, or to waive the Disability Pension in favor of a cashout of any Retirement Pension or Post-Separation Pension benefit which the individual had accrued under this Plan without reference to the individual's disability.

(b) The nonqualified benefit described in Section 5.1, expressed as a single life annuity, may be converted to a single-sum cashout, as follows:

(i) Determine the nonqualified benefit payable to the Executive Manager under Section 5.1, where both the Target Benefit under this Plan and the accrued benefit

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under the Qualified Pension Plan are expressed in the form of an immediate single life annuity. The term "Nonqualified Single Life Annuity" shall mean the difference (expressed as an immediate single life annuity) resulting from subtracting (a) the immediate single life annuity payable to the Executive Manager under the Qualified Pension Plan (after taking account of all applicable limitations under the Internal Revenue Code), from (b) the Target Benefit under this Plan expressed in the form of an immediate single life annuity; provided, however, that any negative difference shall be disregarded. In the case of an Executive Manager who is eligible for a Retirement Pension, the annuity described in clause "(b)" of this paragraph shall take account of the applicable early retirement reduction factors of Section 5.4 of this Plan. In the case of an Executive Manager who is not eligible for a Retirement Pension, the annuity described in clause "(b)" of this paragraph shall be determined by converting the Target Benefit in the form of a single life annuity commencing at age 65 to an immediate annuity by applying the same actuarial assumptions and factors as those which are used for determining an immediate single life annuity under the Bell Atlantic Cash Balance Plan for the calendar quarter that includes the day prior to the Pension Commencement Date.

(ii) Determine the present value of the Nonqualified Single Life Annuity, as of the Pension Commencement Date, by multiplying the annual amount of the Nonqualified Single Life Annuity times the same actuarial conversion factor that would be used, as of the same effective date, under the Bell Atlantic Cash Balance Plan to convert the Executive Manager's cash balance amount to an immediate single life annuity.

(c) The cashout calculated in Section 6.4(b) shall be subject to adjustment based on any modification of the Target Pension that is caused by any benefit-bearing Pay awarded to the Executive Manager after the Separation from Service Date.

(d) A cashout election shall be made in writing not earlier than 90 days prior to, and not later than, the Pension Commencement Date. A cashout election may be revoked until the Pension Commencement Date. For an Executive Manager who is married on the Pension Commencement Date, a cashout may not be elected without the signed consent of the spouse on a form approved by the Plan Administrator.

(e) An Executive Manager who receives a cashout shall have no right to receive any future ad hoc pension increase under this Plan.

(f) Any portion of the benefit which the Executive Manager elects to receive as a cashout shall be payable in full, as soon as practicable, and not later than 60 days following the Pension Commencement Date, and no actuarial adjustment (akin to interest) shall be applicable to such a cashout for the period from the Pension Commencement Date to the date actually paid.

(g) A Executive Manager who elects to receive the nonqualified pension benefit under Section 5.1 of this Plan in the form of a cashout shall not be eligible for any ad hoc increase that may be approved at any time by the HRC with respect to nonqualified pension benefits under Section 5.1 of this Plan which are then being paid in the form of an annuity. Whether or not an Executive Manager who elects a cashout under this Section shall be eligible to receive any ad hoc increase on the qualified portion of his or her benefit under any Qualified Pension Plan shall depend on the terms of any HRC resolutions approving any such ad hoc increase.

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(h) As a condition to receiving a benefit in the form of a cashout, an Executive Manager must sign a document, in a form satisfactory to the Plan Administer, as described in the non-compete and proprietary information provisions of Section 4.4(c) of this Plan.

(i) An election of a benefit in the form of a cashout shall have no effect on subsequent eligibility for a lump-sum death benefit under Section 7.2 of this Plan.

ARTICLE 7. BENEFITS IN THE EVENT OF DEATH

7.1 Survivor Annuities

(a) Death Subsequent to Pension Commencement Date. To the extent that an Executive Manager has, prior to his or her date of death, elected and commenced receiving a benefit in a form which, by its terms, provides for a survivor annuity to be payable upon the death of the Executive Manager, then such survivor annuity benefit shall be payable in accordance with its terms if the Executive Manager is survived by the designated annuitant.

(b) Death Prior to Pension Commencement Date.

(i) Survivor Annuity. In the event of the death, prior to the Pension Commencement Date, of an Executive Manager who is survived by a person who is then his spouse (determined in the manner described in Section 6.3), said surviving spouse shall be entitled to a Survivor Annuity, in an amount which, from year to year, is equal to the Target Survivor Annuity payable for such year, less the actuarial equivalent value of the accrued benefit payable under the Qualified Pension Plan as a death benefit to all death beneficiaries of the Executive Manager under that plan.

(ii) Target Survivor Annuity. The Target Survivor Annuity shall be an annuity, commencing on the day after the date of death of the Executive Manager, and payable for the life of the surviving spouse (if any), in an annual amount equal to 50% of the Target Pension for which the Executive Manager would have been eligible (if any) if he or she had Separated from Service on his date of death, having elected a benefit in the form of a joint and 50% surviving spouse annuity with pop-up, and:

(A) in the case of an Executive Manager who dies with at least 15 Years of Service for retirement eligibility purposes, the survivor annuity would be calculated with reference to the 10% joint and survivor annuity reduction factor, based on one of the following (whichever is applicable):

(1) an immediate Retirement Pension, if the deceased then had sufficient age and service to qualify for that form of benefit, and such pension shall not be reduced by any otherwise applicable early retirement reduction factor; and the survivor annuity shall commence immediately; or

(2) if the deceased had insufficient age or service to qualify for a Retirement Pension, the survivor annuity shall be computed with reference to a Post-Separation Pension commencing as of the Separation from Service Date, and such pension shall not be reduced by an otherwise applicable actuarial reduction factor; and the survivor annuity shall commence immediately; or

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(B) in the case of an Executive Manager who dies with at least 5 Years of Service for vesting purposes but less than 15 Years of Service for retirement eligibility purposes:

(1) an immediate Retirement Pension, after taking account of the joint and survivor reduction factor (using the applicable joint and survivor conversion factor under the terms of the Bell Atlantic Cash Balance Plan) and any otherwise applicable early retirement reduction factor, if the deceased then had sufficient age and service to qualify for an immediate Retirement Pension; and the survivor annuity shall commence immediately; or

(2) otherwise, a Post-Separation Pension, after taking account of the joint and survivor reduction factor (using the applicable joint and survivor conversion factor under the terms of the Bell Atlantic Cash Balance Plan), and the survivor annuity shall commence immediately.

ARTICLE 8. SPONSORSHIP; ADMINISTRATION; AMENDMENT; TERMINATION; CHANGE OF CONTROL.

8.1 Sponsor. Bell Atlantic is the sponsor of the Plan.

8.2 Participating Companies. Each Participating Company, by its participation in this Plan, signifies (i) its agreement to bear its allocated share of the expenses, and to contribute its allocated share of disbursements, as described in Article 9 of the Plan, (ii) its acceptance of the terms of the Plan, as they may be amended from time to time, and (iii) its recognition of the authority exercisable hereunder by Bell Atlantic and its officers, the Human Resources Committee, the Plan Administrator, and the Claims and Appeals Committees.

8.3 Amendment; Termination. Subject to the terms of Sections 8.4 and 8.5 hereof, and with or without advance notice to Executive Managers and their Beneficiaries:

(a) the Human Resources Committee may, in its sole discretion at any time prior to the occurrence of a Hostile Change of Control, amend the Plan in any manner which it deems appropriate, and may terminate the Plan; and

(b) the Plan Administrator, with the advice of counsel, may amend the Plan in any manner which has no effect on the amount or rate of accrual of benefits, or eligibility to receive a benefit, under the Plan.

8.4 Protection of Benefits. No amendment or termination of the Plan, and no withdrawal of any Participating Company from participation under the Plan, shall cause any vested, accrued pension benefit hereunder to be reduced below the dollar value of such benefit as it existed immediately prior to such amendment, withdrawal or termination; provided, however, that nothing in this Section 8.4 is intended to curtail the right and authority of the Human Resources Committee, at any time prior to the occurrence of any Hostile Change of Control, to amend either the terms of the Plan which describe conditions which may result in a revocation of Executive Manager status, or the terms of Section 4.4 (pertaining to events of forfeiture), and from time to time thereafter, but prior to any Hostile Change of Control, to apply and enforce such amended terms.

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8.5 Hostile Change of Control. During the five-year period commencing on the date of any Hostile Change of Control and terminating on the fifth anniversary of such date, none of the terms of the Plan may be amended in any manner which affects the amount or rate of accrual of benefits, the form or timing of, or eligibility for, benefits, or the conditions under which Executive Manager status may be revoked or a benefit may be forfeited, in the absence of the approval of a two-thirds majority of all Executive Managers.

8.6 Plan Administrator.

(a) Express and Implied Powers. The Plan Administrator shall have the specific powers granted to the Plan Administrator under the terms of this Plan and shall have such other powers as may be necessary in order to enable the Plan Administrator to administer the Plan, except for the powers specifically reserved in this Plan to others.

(b) Administrative Guidelines. The Plan Administrator may establish such administrative guidelines as he determines are necessary and appropriate for the administration of the Plan, and may amend such guidelines from time to time in his sole discretion.

(c) Authorize Disbursements. The Plan Administrator shall have the authority (and may delegate to one or more other persons the authority) to authorize disbursements by the Paying Agent to pay benefits under this Plan.

8.7 Determination of Benefits; Claims; Appeals.

(a) Benefit Calculation in the Absence of Claim. Upon the occurrence of any event entitling a Participant or Beneficiary to a benefit under the Plan, except in the case of a death of a Participant subsequent to his Separation from Service, no application for a benefit is required. Upon the occurrence of any such event which requires no application, or upon receipt of notice of the death of a separated Executive Manager, the Plan Administrator shall determine the amount, form and timing of the benefit which is payable, and the person or persons to whom payable.

(b) Notice of Benefit Determination. The Plan Administrator shall provide notice in writing to a Participant or Beneficiary (whichever is applicable), stating the amount, form and timing of the benefit, or the reason for any denial or forfeiture of any benefits.

(c) ERISA Claims Procedures and Deadlines. The Claims Committee, and in the event of an appeal, the Appeals Committee, are the fiduciaries to whom the Plan has granted the discretion to decide claims for benefits, interpret the terms of the Plan, and resolve disputes under the Plan. In the event that a Participant or Beneficiary believes that a benefit has been incorrectly determined or denied, a written claim may be addressed to the Claims Committee. Each claim with respect to benefits under the Plan shall be decided by the Claims Committee, and any appeal from any such claim shall be fully and fairly reviewed by the Appeals Committee, all in conformity with the rules of Section 503 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The one or more members of the Claims and Appeals Committees shall, when acting as a member of either of said committees, each exercise the duties of a fiduciary in accordance with the terms of ERISA. A claim and an appeal may be denied if not filed by the date, and in the manner, required by Section 503 of ERISA.

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(d) Exclusive Administrative Remedy for Claims. The Claims Committee, and, in the event of an appeal, the Appeals Committee, shall have full discretion, as fiduciaries, to interpret the plan, make findings of fact, and determine conclusively for all parties any and all issues and disputes with respect to benefits under, or the administration of, the Plan.

8.8 Service in More than One Capacity. Any person may serve in more than one capacity with respect to the Plan.

8.9 Set-Off for Governmental Payments of Like Kind. In the event that an Executive Manager (or any of his Beneficiaries) is awarded a payment or series of payments under the laws applicable to Workers Compensation, or under any other governmental program, in a case in which the Claims Committee determines that such award is of the same general character, or is granted on account of the same disabling accident or illness, as a Disability Pension under the Plan, then the Claims Committee may direct that the amount of the Disability Pension under the Plan shall be reduced dollar for dollar by the amount of the governmentally prescribed payment or payments; provided, however, that no benefit payable under this Plan shall be reduced by reason of any governmental benefit or pension payable on account of military service or by reason of any benefit which the recipient receives under the Social Security Act.

8.10 Accidental Death; Damage Claims; Release. In case of an accident resulting in the death of an Executive Manager which entitles his surviving spouse (if any) to a survivor's annuity under this Plan, any such Beneficiary shall, prior to the payment of any such benefits, sign a release in a form satisfactory to the Plan Administrator, releasing all Bell Atlantic Companies, and their directors, officers, and employees, from all claims and demands, whether statutory, contractual or under the common law of torts, which the Executive Manager and his Beneficiary had or may have had against them, other than for benefits under this Plan or any other employee benefit plan, on account of such accident.

8.11 Leaves of Absence; Breaks in Service. For purposes of this Plan, the various categories of approved leaves of absence and rotational assignments, and breaks in service of various durations, shall be defined and administered in the same manner as is set forth in the Qualified Pension Plan in which the Bell Atlantic Company that then employs the Executive Manager participates, and in the other plans, programs and practices of said employing company, at the time of the applicable event.

8.12 Assignment or Alienation. Assignment or alienation of pensions or other benefits under this Plan will not be permitted or recognized, except as may be required by any applicable law which is not preempted by federal law applicable to employee benefits.

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ARTICLE 9. FUNDING AND PAYMENT OF BENEFITS

9.1 Plan Unfunded. Nothing in this Plan shall be interpreted or construed to require Bell Atlantic in any manner to fund any obligation to the Executive Managers and Beneficiaries hereunder. Nothing contained in the Plan or in any trust agreement governing any Grantor Trust, and no action taken hereunder or thereunder shall create, or be construed to create, a "trust" (as that term is construed under Title I of ERISA) or a trust in which the portion of the trust assets held for the account of a Bell Atlantic Company as co-grantor is exempt from the claims of the general creditors of such co-grantor in the event of such co-grantor's bankruptcy or insolvency. Any assets which may be accumulated by any Participating Company in order to meet its obligations under this Plan shall for all purposes continue to be a part of the general assets of such Participating Company. To the extent that any Executive Manager or Beneficiary acquires a right to receive payments from the Paying Agent under this Plan for which any Participating Company is ultimately liable, such rights shall be no greater than the rights of any unsecured general creditor of the applicable Participating Company.

9.2 Contributions to Grantor Trust. In the event that Bell Atlantic, or the officer or officers who have been delegated the appropriate authority by the Board of Directors, determine that it would be desirable to set aside assets in one or more Grantor Trusts, in an amount (the "Grantor Amount") which shall be less than or equal to the accumulated benefit obligations of all Bell Atlantic Companies to participants under the one or more plans covered by such Grantor Trust or Trusts, each Participating Company shall contribute, in the manner and in the amount then prescribed by Bell Atlantic or its delegatees, its allocated share of the Grantor Amount.

9.3 Paying Agent; Allocation of Cost; Participating Company Contributions.

(a) Paying Agent. Commencing January 1, 1989, for Executive Managers and Beneficiaries whose benefits had commenced prior to that date and for those whose benefits commence on or after that date, the Paying Agent shall act as the agent for the Plan and its Participating Companies, and in that capacity the Paying Agent shall have a fiduciary duty to each Executive Manager and Beneficiary to disburse all benefits to Executive Managers and Beneficiaries, at the time when due and in the amount then payable under the terms of the Plan.

(b) Allocation of Accrued Cost and Disbursements. On and after January 1, 1989, the Plan Administrator, with the advice of the officers of Bell Atlantic who have responsibility for legal, treasury and accounting matters, shall establish and maintain cost allocation guidelines which shall govern the allocation of accrued expenses under the Plan for financial accounting purposes, and the allocation of the amounts by which Participating Companies are obligated to reimburse the Paying Agent for disbursements of benefits and other expenditures under the Plan. Such guidelines shall be established in a manner which allocates to each Participating Company its reasonable and appropriate share of the direct benefit cost (and any associated administrative cost) of the Plan.

(c) Duty to Reimburse Paying Agent. At the times, and in the amounts determined under paragraph (b) above, each Participating Company shall remit to the Paying Agent the reimbursements allocated to it.

(d) Bell Atlantic as Secondary Obligor. With respect to benefits disbursed by the Paying Agent under this Plan to an Executive Manager (or his Beneficiaries), the obligation to

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reimburse the Paying Agent shall be the principal obligation of the Bell Atlantic Company or Companies for which the Executive Manager rendered service while serving in the status of an Executive Manager. Bell Atlantic, as Plan sponsor and as a direct or indirect beneficiary of the value of the services rendered by an Executive Manager, shall have a secondary obligation to reimburse the Paying Agent for any such disbursements in the event, and to the extent, of the failure of any principal obligor to honor such obligation. In the event of such a default by a Participating Company with a principal obligation to reimburse the Paying Agent, Bell Atlantic shall reimburse the Paying Agent for any defaulted amounts and ensure that the full benefit under the Plan is paid by the Paying Agent to all rightful Executive Managers and Beneficiaries as and when due. In such a case, Bell Atlantic may, in its sole discretion, release the defaulting company for some or all of the defaulted amount. Moreover, in the event of the sale of the stock, or substantially all of the assets, of a Participating Company, Bell Atlantic may in its sole discretion release said company from its contingent principal obligations to the Paying Agent under this Plan, and substitute itself as the principal obligor for such company's allocated share of costs under this Plan.

(e) Participating Companies as Co-Grantors of Grantor Trusts. In the event, and in each and every instance, that Bell Atlantic elects in its sole discretion to transfer assets to one or more Grantor Trusts, each Participating Company shall promptly reimburse Bell Atlantic in an amount equal to such company's allocated share of the amount transferred, determined in the manner described in Section 9.3(b) hereof.

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EXHIBIT 10.46

Schedule 1: Participating Companies

Except as noted to the contrary, Participating Companies are those that participate any of the three qualified plans named below.

1. Companies participating in the Bell Atlantic Cash Balance Plan

2. Companies participating in the Bell Atlantic Enterprises Cash Balance Plan

3. Companies participating in the Chesapeake Directory Sales Company Cash Balance Plan

EXHIBIT 10.47

VERIZON WIRELESS RETIREMENT PLAN

As Amended and Restated Effective January 1, 2001
With Amendments Through the Adoption Date of this Amendment and Restatement,
including provisions intended to comply with
the Uruguay Round Agreements Act (GATT),
the Uniformed Services Employment and Reemployment Act of 1994 (USERRA),
the Small Business Job Protection Act of 1996 (SBJPA),
the Taxpayer Relief Act of 1997 (TRA'97) and the
Community Renewal Tax Relief Act of 2000 (CRTRA)

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ARTICLE I

STATEMENT OF HISTORY AND PURPOSE

Section 1.01 History and Rights Affected. The Verizon Wireless Retirement Plan (the "Plan"), previously known as the Upstate Cellular Network Pension Plan, was originally established effective January 1, 1994 by Upstate Cellular Network, a New York partnership between Rochester Telephone Corporation and New York Cellular Geographic Services Area, Inc. The Plan was frozen as of December 31, 1996. As of December 1, 1999, Upstate Cellular Network was acquired by Cellco Partnership (d/b/a Bell Atlantic Mobile). Effective December 31, 2000, sponsorship of the Plan was transferred from Upstate Cellular Network to Cellco Partnership (d/b/a Verizon Wireless) (the "Company"). In connection with the addition of Vodafone Group (formerly Vodafone AirTouch PLC) as a partner in the Company and its related contribution of various assets to the Company, effective as of the close of December 31, 2000, all of the assets and liabilities of the AirTouch Communications Employees Pension Plan (the "AirTouch Plan") were transferred to the Plan. The Plan has been amended and restated herein, effective as of January 1, 2001 (the "Effective Date"), to reflect (a) the change in Plan sponsorship, (b) the addition of a transition benefit for eligible employees, and (c) the transfer of assets and liabilities from the AirTouch Plan. The Plan has also been amended and restated herein to comply with the requirements of the Uniformed Services Employment and Reemployment Rights Act of 1994, the Uruguay Round Agreements Act, the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997 and the Community Renewal Tax Relief Act of 2000. Except where an earlier effective date is specified herein, the provisions of this amended and restated Plan shall apply only to Employees who complete an Hour of Service on or after the Effective Date. The rights of an individual who had a Separation from Service prior to the Effective Date shall otherwise be governed by the Prior Plan as in effect on the date of his Separation from Service.

Section 1.02 Qualification Under the Internal Revenue Code. It is intended that the Plan be a qualified plan within the meaning of section 401(a) of the Code and that the trust or other Funding Vehicles associated with the Plan be exempt from federal income taxation pursuant to the provisions of section 501(a) of the Code.

Section 1.03 Documents. The Plan consists of the Plan document as set forth herein, and any amendment thereto. Certain provisions relating to the Plan and its operation are contained in the corresponding Trust Agreements (or documents establishing any other Funding Vehicle for the Plan), and any amendments, supplements, appendices and riders to any of the foregoing.

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ARTICLE II

DEFINITIONS

Section 2.01 "Accrued Benefit" shall mean as of a date of reference, except as otherwise provided below, the balance on that date of the Participant's Transition Benefit Account.

(a) UCN Plan Participants. For a Participant who has a Transition Benefit Account and a UCN Annuity Pension Benefit under the Plan, the Participant's Accrued Benefit under this Plan shall be administered in two parts, the first of which shall be the UCN Annuity Pension Benefit, and the second of which shall be the benefit which the Participant accrues subsequent to December 31, 2000 pursuant to Article VI which shall be equal to the balance of the Participant's Transition Benefit Account.

(b) Transferred AirTouch Plan Participants. The Accrued Benefit of a Participant who has a Transition Benefit Account and an AirTouch Annuity Pension Benefit under the Plan, shall be administered in two parts, the first of which shall be the AirTouch Annuity Pension Benefit and the second of which shall be the benefit which the Participant accrues subsequent to December 31, 2000 pursuant to Article VI which shall be equal to the balance of the Participant's Transition Benefit Account.

(c) Vodafone Retained AirTouch Plan Participants. The Accrued Benefit of a Participant who is not a Covered Employee under the Plan, but who has an AirTouch Annuity Pension Benefit under the Plan, shall be the AirTouch Annuity Pension Benefit and accruals subsequent to December 31, 2000, if any, pursuant to Appendix C.

(d) Pre-2001 Vested Pension. For a Participant who, on December 31, 2000, was a Vested Participant under the Plan or a terminated vested participant or a formerly active participant in the AirTouch Plan who had not received a total distribution of his or her pension benefit from the AirTouch Plan, the Participant's Accrued Benefit under the Plan on and after the Effective Date shall be either a UCN Annuity Pension Benefit or an AirTouch Annuity Pension Benefit (as applicable) determined, except to the extent provided otherwise herein, under the terms of the Plan or the AirTouch Plan (as applicable) that were in effect on the date such individual ceased active participation in the Plan or the AirTouch Plan (as applicable) whether or not the individual is later employed or re-employed by a Participating Employer.

Section 2.02 "Actuarial Equivalent" shall mean, except as provided in any other provision of the Plan to the contrary, a benefit of equal actuarial value determined using the actuarial assumptions and factors set forth in Appendix A or C, as applicable.

Section 2.03 "Affiliated Company" shall mean any entity which (a) with a Participating Employer, constitutes (1) a "controlled group of corporations" within the meaning of section 414(b) of the Code, (2) a "group of trades or businesses under common control" within the meaning of section 414(c) of the Code, or (3) an "affiliated service group" within the meaning of section 414(m) of the Code, or (b) is required to be

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aggregated with a Participating Employer pursuant to regulations under section 414(o) of the Code. Except as otherwise provided herein, an entity shall be considered an Affiliated Company only with respect to such period as the relationship described in the preceding sentence exists.

Section 2.04 "AirTouch Annuity Pension Benefit" shall mean a pension benefit transferred to the Plan from the AirTouch Plan as of the close of December 31, 2000 and subsequent accruals, if any, pursuant to Appendix C expressed in an annuity in the normal form described in Section 10.02(a)(1).

Section 2.05 "AirTouch Plan" shall mean the AirTouch Communications Employees Pension Plan from which all of the assets and liabilities were transferred to the Plan as of the close of December 31, 2000. See Appendix C for special rules relating to the transferred assets and liabilities.

Section 2.06 "Alternate Payee" shall mean the person entitled to receive payment of benefits under the Plan pursuant to a QDRO.

Section 2.07 "Beneficiary" shall mean the person or persons (including a trust or trustee) designated by the Participant pursuant to Section 10.11 to receive death benefits payable upon the Participant's death, other than death benefits specifically payable to the Participant's Spouse.

Section 2.08 "Benefit Payment Date" shall mean the date (prior to the Effective Date, the first day of the month) as of which the first benefit payment (whether a single sum or an annuity installment payment) is made (or the date such payment is due, if such payment is delayed) to the Participant (or to the surviving Spouse if the Participant's death occurs prior to such date).

Section 2.09 "Board" shall mean the board of directors or other governing body of the Company or a committee of such Board to which the Board has delegated some or all of its responsibilities hereunder.

Section 2.10 "Break in Service" shall mean that an Employee fails to complete more than 500 Hours of Service during an applicable computation period, or a Plan Year, whichever is applicable.

If an Employee is absent from work by reason of pregnancy, childbirth, or placement in connection with adoption, or for purposes of care of such Employee's child immediately after birth or placement in connection with adoption, such Employee shall be credited, solely for purposes of determining whether he has incurred a Break in Service, with the Hours of Service with which such Employee would have been credited but for the absence; or, if such hours cannot be determined, with eight (8) Hours of Service per normal workday.

The total number of hours to be treated as Hours of Service under this paragraph shall not exceed 501. The hours described in this paragraph shall be credited either for the computation period or Plan Year, as applicable, in which the absence from work begins, if the Employee would be prevented from incurring a Break in Service in such

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computation period or Plan Year because the period of absence is treated as Hours of Service under this paragraph, or, in any case, for the computation period or Plan Year, as applicable, next following the one in which the absence from work begins; provided, however, that no credit shall be given under this paragraph with respect to such absence to the extent that credit is given pursuant to Section 2.25. In order for an absence to be considered as on account of the reasons described in this paragraph, an Employee shall provide the Employee Benefits Committee information establishing (a) that the absence from work is for reasons set forth in this paragraph, and (b) the number of days for which there was such an absence. Nothing in this paragraph shall be construed as expanding or amending any maternity or paternity leave policy of a Participating Employer or Affiliated Company.

Section 2.11 "Code" shall mean the Internal Revenue Code of 1986, as the same may be amended from time to time, and any successor statute of similar purpose.

Section 2.12 "Company" shall mean, effective as of December 31, 2000, the Partnership, unless specifically indicated otherwise herein; provided, however, that as of the IPO Date, "Company" shall mean Verizon Wireless Inc., or such other Affiliated Company which serves as the public offering vehicle representing the business of the Partnership, and any successor thereto that adopts the Plan, acting in its capacity as general managing partner of the Partnership. Prior to December 31, 2000, "Company" meant Upstate Cellular Network.

Section 2.13 "Compensation" shall mean, for any Employee, for any Plan Year or Limitation Year as the case may be:

(a) For purposes of determining the Transition Benefit Credits for a given Plan Year pursuant to Article VI, except as otherwise provided below in this definition, the fixed and basic salary or wages, short term incentive payments and commissions paid by a Participating Employer to the Employee during the applicable period, and including premium pay (such as overtime pay, shift differential pay and nightwatch pay), short term disability payments, and draw and guaranteed pay paid to Employees on a commission basis, but excluding any amounts that the Employee receives during periods when he is not a Covered Employee, amounts identified as bonuses or incentive payments (other than the short term incentive payments specified above), fringe benefits (both cash and non-cash), moving expenses, deferred compensation, welfare benefits (other than short-term disability payments), expense allowances, and reimbursements. Notwithstanding the above, Compensation shall be determined prior to giving effect to any salary reduction election made pursuant to a Code section 401(k) or 125 plan maintained by a Participating Employer.

(b) For purposes of determining a Participant's frozen UCN Annuity Pension Benefit pursuant to Article V of the Plan, the total of an Employee's salary or wages (prior to January 1, 1996, the total of an Employee's base rate of pay, bonuses and commissions) paid by the Employer during a Plan Year prior to January 1, 1997 for services actually rendered by the Employee to the Participating Employer. For any Employee participating in a Participating Employer's 401(k) plan or cafeteria plans, the term Compensation shall include amounts contributed to such plans on behalf of the

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Employee pursuant to a salary reduction agreement. Compensation does not include contributions to this Plan or any other plan of deferred compensation other than a 401(k) plan (prior to January 1, 1996 nor does it include any types of extra remuneration of whatever nature (except the bonuses or commissions included in the first sentence above for such time period)). If an Employee had participated in a Partner Plan and transferred directly from a Partner to the Participating Employer, "Compensation" includes compensation, similarly determined, paid by the Partner during a Plan Year prior to January 1, 1997. No Compensation paid after December 31, 1996 shall be taken into account in determining a Participant's frozen UCN Annuity Pension Benefit under the Plan.

(c) For purposes of Article XI and Section 7.02, wages required to be reported on IRS Form W-2, paid to the Employee during the applicable period as defined in Treas. Reg. ss. 1.415-2(d)(11)(i), including, on or after January 1, 1998, any elective deferral (as defined in section 402(g)(3) of the Code) and any elective contribution or elective deferral that is excluded from gross income under section 125, 132(f)(4) or 457 of the Code. Notwithstanding the foregoing, prior to the Effective Date with respect to a Participant's UCN Annuity Pension Benefit, for purposes of Article XI and Section 7.02, "Compensation" meant the total remuneration paid to the Participant by the Participating Employer during the Plan Year for personal services actually rendered, after the application of any salary reduction agreement the Participant may have entered into with the Participating Employer, exclusive of Employer contributions to this Plan or any other plan of deferred compensation, amounts realized upon the exercise of a stock option or the lifting of restrictions on restricted stock, amounts realized upon a disqualifying disposition of stock acquired pursuant to an incentive stock option or other qualified stock option or other qualified stock option or other amounts which receive special tax benefits provided in this Section.

(d) For purposes of the definition of "Highly Compensated Employee" for periods on or after January 1, 1998, "compensation," as such word is defined in section 415(c)(3) of the Code, paid to the Employee for the applicable period.

(e) Effective as of December 12, 1994, for purposes of this definition an Employee's Compensation will include the Compensation that the Employee would have received during a period of Qualified Military Service (or, if the amount of such Compensation is not reasonably certain, the Employee's average earnings from the Company or an Affiliated Company for the twelve-month period immediately preceding the Employee's period of Qualified Military Service); provided, however, that the Employee returns to work within the period during which his right to reemployment is protected by law.

(f) With respect to any Plan Year, only the first $170,000 (or such other amount as may be applicable under section 401(a)(17) of the Code) of the amount otherwise described in subsections (a), (b) and (c) of this definition shall be counted, except that this subsection (f) shall not apply for purposes of Section 7.02 and determining "Key Employees" under Article XI. In determining Compensation for purposes of this limitation, the family aggregation rules of section 401(a)(17)(A) of the

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Code, as in effect on December 31, 1996, shall apply for Plan Years beginning before January 1, 1997.

Section 2.14 "Contract" shall mean any annuity, pension, retirement income, or insurance contract or policy providing for payment of benefits under the Plan, and any deposit administration or other contract or policy providing for the management of the assets of the Plan by an insurance company.

Section 2.15 "Covered Employee" shall mean, except as provided otherwise in Appendix C for purposes of Appendix C, any individual who is employed by a Participating Employer, other than (i) any person who continues to accrue a benefit under the GTE Service Corporation Plan for Employees' Pensions, (ii) any person whose terms and conditions of employment are subject to a collective bargaining agreement, unless the collective bargaining agreement provides for the eligibility of such person to participate in this Plan, (iii) any person who is a foreign national working in a foreign jurisdiction, (iv) an individual who renders services to a Participating Employer or an Affiliated Company under circumstances in which his or her wages or remuneration is paid by a third party service provider or temporary service agency, regardless of any governmental or judicial determination or holding which characterizes the individual as an employee of a Participating Employer or an Affiliated Company, including without limiting the foregoing, a leased employee as defined in section 414(n) of the Code, (v) an individual hired by a Participating Employer or an Affiliated Company as an independent contractor, consultant, or otherwise as a person who is not an employee for purposes of withholding federal employment taxes, as evidenced by payroll records or a written agreement with the individual, regardless of any contrary governmental or judicial determination or holding which characterizes the individual as an employee of a Participating Employer or an Affiliated Company or (vi) an individual who is employed by Vodafone Americas Asia Inc. or any of its subsidiaries.

Section 2.16 "Early Retirement Date" shall mean with respect to a Participant's UCN Annuity Pension Benefit, the first day of the month next following the month in which the Participant retires prior to Normal Retirement Age pursuant to Section 8.03(a) or 8.03(b) and with respect to a Participant's AirTouch Annuity Pension Benefit as specified in Appendix C.

Section 2.17 "Effective Date" shall mean January 1, 2001; provided, however, that when a provision of the Plan states an effective date other than January 1, 2001, such stated specific effective date shall apply as to that provision. Notwithstanding the foregoing, a provision of the Plan stated herein with an effective date prior to January 1, 2001 shall only apply retroactively to Participants in the Plan on such effective date.

Section 2.18 "Employee" shall mean a person who is employed by a Participating Employer or an Affiliated Company. A person who is not otherwise employed by a Participating Employer or Affiliated Company shall be deemed to be employed by any such company if he is a leased employee with respect to whose services such Participating Employer or Affiliated Company is the recipient, within the meaning of section 414(n) or 414(o) of the Code, but to whom section 414(n)(5) of the Code does not apply.

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Section 2.19 "Employee Benefits Committee" shall mean the committee appointed pursuant to Section 13.01 to administer the Plan as specified herein.

Section 2.20 "Employment Commencement Date" shall mean, with respect to any person, the first date on which that person performs an Hour of Service as described in Section 2.25(a).

Section 2.21 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time, and any successor statute of similar purpose.

Section 2.22 "Fund" shall mean all of the assets of the Plan at a given time including all assets held by one or more Trustees (or any nominee thereof) under one or more Trust Agreements and all assets held under any other Funding Vehicles.

Section 2.23 "Funding Vehicle" shall mean a Trust Agreement or Contract under which some or all of the assets of the Plan are held and invested.

Section 2.24 "Highly Compensated Employee" shall mean, effective for Plan Years beginning on or after January 1, 1997, an Employee who performs services for a Participating Employer or an Affiliated Company during the Plan Year for which a determination is being made and who:

(a) was at any time in the Plan Year or the immediately preceding Plan Year a five-percent (5%) owner, as defined in section 416(i) of the Code; or

(b) for the immediately preceding Plan Year received annual Compensation from a Participating Employer or an Affiliated Company in excess of $80,000, as adjusted by the Secretary of the Treasury in accordance with section 414(q) of the Code.

A former Employee shall be treated as a Highly Compensated Employee if such Employee was a Highly Compensated Employee while an active Employee in either the Plan Year in which such Employee separated from service or in any Plan Year ending on or after his 55th birthday.

Section 2.25 "Hour of Service" shall mean for any Employee:

(a) An hour for which he is directly or indirectly compensated, or is entitled to be compensated by a Participating Employer or an Affiliated Company, for the performance of duties.

(b) An hour for which he is entitled, either by award or agreement, to back pay from a Participating Employer or an Affiliated Company, irrespective of mitigation of damages.

(c) Each hour for which an Employee is paid, or entitled to payment, by a Participating Employer or an Affiliated Company (either directly or indirectly through a trust fund or insurer) on account of a period of time during which no duties are

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performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including long term disability), jury duty, military duty or leave of absence.

(d) Each hour that constitutes part of the Employee's customary work week during any period of absence in the armed forces of the United States, including, effective December 12, 1994, any period of Qualified Military Service, provided that (i) such absence is with the approval of a Participating Employer or an Affiliated Company or pursuant to a national conscription law, (ii) the Employee receives an honorable discharge, and (iii) the Employee returns to employment with a Participating Employer or an Affiliated Company within 90 days after his release from active service or any longer period during which his right to reemployment is protected by law. Notwithstanding anything in the Plan to the contrary, Hours of Service for periods of Qualified Military Service shall be provided in accordance with section 414(u) of the Code.

(e) Anything to the contrary in subsections (a) through (d) notwithstanding:

(1) For purposes of determining a Participant's Year of Service with respect to his UCN Annuity Pension Benefit, in lieu of counting an Employee's actual number of Hours of Service during any computation period or Plan Year, as applicable, the Employee Benefits Committee shall credit each Employee who earns at least one Hour of Service during any week of employment with 45 Hours of Service for each such week.

(2) No Hours of Service shall be credited to an Employee for any period merely because, during such period, payments are made or due him under a plan maintained solely for the purpose of complying with applicable workers' compensation, unemployment compensation, or disability insurance laws.

(3) No Hours of Service shall be credited to an Employee with respect to payments solely to reimburse for medical or medically related expenses.

(4) No more than 501 Hours of Service shall be credited to an Employee under subsection (c) of this definition on account of any single continuous period during which no duties are performed by him, except as provided in subsection (d).

(5) No Hours of Service shall be credited twice.

(6) Hours of Service shall be credited at least as liberally as required by the rules set forth in Department of Labor Reg.ss.2530.200b-2(b) and (c).

(7) In the case of an Employee who is such solely by reason of service as a leased employee within the meaning of section 414(n) or 414(o) of the Code, Hours of Service shall be credited as if such Employee were employed and paid with respect to such service (or with respect to any related absences or entitlements) by the Participating Employer or Affiliated Company that is the recipient thereof.

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(8) Except as specified otherwise herein, the number of Hours of Service to be credited to an Employee on account of a period of service with an Affiliated Company shall only include such hours during the period that the employer for whom the services are performed is a Participating Employer or an Affiliated Company.

(9) Hours of Service shall be credited, without duplication, to the extent required by the Family and Medical Leave Act of 1993 and implementing federal regulations.

(10) The Employee Benefits Committee shall determine the number of creditable Hours of Service in any computation period or Plan Year, as applicable, on the basis of any records kept by the Participating Employer that accurately reflect Hours of Service. If any payments (including back pay awards) relate to any period for which no duties are performed, the number of creditable Hours of Service shall equal the number of regularly scheduled working hours upon which the payment is based. If the payment is not calculated on the basis of units of time for which the hours may be determined, the number of creditable Hours of Service shall be equal to the amount of the payment divided by the Employee's most recent hourly rate of compensation before the period during which no duties are performed. In no event, however, shall an Employee be credited with a greater number of Hours of Service than the number of regularly scheduled hours for the performance of services during the applicable period.

(11) Hours of Service shall be credited to the computation period or Plan Year, as applicable, in which the services were performed, the period to which the payments are made when no services are performed, or the period to which back pay awards relate, whichever is applicable.

Section 2.26 "IPO Date" shall mean the date upon which the initial public offering of the common stock of Verizon Wireless Inc., or such other Affiliated Company which serves as the public offering vehicle representing the business of the Partnership, occurs.

Section 2.27 "Interest Credits" shall mean the interest credited to each Participant's Transition Benefit Account in accordance with Section 6.04.

Section 2.28 "Investment Manager" shall mean any fiduciary (other than a Trustee or Named Fiduciary) who has the power to manage, acquire, or dispose of any asset of the Plan and who has qualified as an "investment manager" within the meaning of section 3(38) of ERISA.

Section 2.29 "Limitation Year" shall mean the Plan Year.

Section 2.30 "Named Fiduciary" shall mean the Board or its delegate, the Employee Benefits Committee and the Trustee(s). Each Named Fiduciary shall have only those particular powers, duties, responsibilities and obligations as are specifically delegated to him under the Plan or the Trust Agreement(s). Any fiduciary, if so appointed, may serve in more than one fiduciary capacity.

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Section 2.31 "Normal Retirement Age" shall mean a Participant's 65th birthday; provided, however, that with respect to a Participant's UCN Annuity Pension Benefit, "Normal Retirement Age" shall mean the later of the Participant's 65th birthday or the fifth anniversary of the Participant's commencement of participation in the Plan.

Section 2.32 "Normal Retirement Date" shall mean the first day of the month coincident with or next following a Participant's attainment of Normal Retirement Age.

Section 2.33 "Participant" shall generally mean any person who has been admitted to participation in this Plan pursuant to the provisions of Article III or Appendix C and who is:

(a) a Covered Employee currently eligible to accrue Transition Benefit Credits under Article VI of the Plan (an "Active Participant");

(b) an Employee who previously was an Active Participant but currently is not because he is no longer employed in a "Covered Employee" status (an Inactive Participant");

(c) an Employee who is a "Full Accrual Participant" or a "Modified Accrual Participant" (as such terms are defined in Appendix C) currently eligible to accrue benefits pursuant to Appendix C of the Plan (an "AirTouch Active Participant");

(d) an individual who previously was an AirTouch Active Participant but currently is not because he is no longer employed as an employee covered under Appendix C of the Plan (an "AirTouch Inactive Participant");

(e) an Employee with a frozen accrued benefit under Article V of the Plan (a "UCN Frozen Participant");

(f) a former Active Participant, former AirTouch Active Participant, Inactive Participant, AirTouch Inactive Participant, UCN Frozen Participant or former Covered Employee who has a vested interest under the Plan that has not been distributed in full pursuant to Article X or otherwise (a "Vested Participant").

Section 2.34 "Participating Employer" shall mean the Company and any other entity listed on Appendix B that adopts this Plan with the consent of the Employee Benefits Committee or the Board or its delegate and the board of directors or other governing body of the entity adopting the Plan. A company shall be considered a Participating Employer only with respect to such period as the company actively participates in the Plan.

Section 2.35 "Partner" shall mean for purposes of making determinations with respect to a Participant's UCN Annuity Pension Benefit, Rochester Telephone Corporation, New York Cellular Geographic Services Area, Inc. and any other entity that may hereafter become a partner in a Participating Employer.

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Section 2.36 "Partner Plan" shall mean for purposes of making determinations with respect to a Participant's UCN Annuity Pension Benefit, the Rochester Tel Management Pension Plan, Craft Pension Plan-I, Craft Pension Plan-II, NYNEX Management Pension Plan, NYNEX Pension Plan or any other tax-qualified defined benefit pension plan maintained by one or more of the Partners.

Section 2.37 "Partnership" shall mean Cellco Partnership (d/b/a Verizon Wireless), a Delaware general partnership, or any successor thereto; provided, however, that solely for purposes of this Plan, the term "Partnership" shall be deemed to refer to Verizon Wireless Inc. or such other Affiliated Company which serves as the public offering vehicle representing the business of the Partnership, as of the effective date of the transfer of all or substantially all of the employees of the Partnership to Verizon Wireless Inc. or such other Affiliated Company or one or more corporations, partnerships or limited liability companies wholly-owned by Verizon Wireless Inc. or such other Affiliated Company on or at some point after the IPO Date.

Section 2.38 "PBGC" shall mean the Pension Benefit Guaranty Corporation, a corporation within the United States Department of Labor established under the provisions of Title IV of ERISA, or any successor thereto.

Section 2.39 "Period of Severance" shall mean for purposes of vesting in a Participant's Transition Benefit Credits, a 12-consecutive-month period beginning on an Employee's Severance Date or any anniversary thereof and ending on the next succeeding anniversary of such Severance Date during which the Employee is not credited with at least one Hour of Service.

In the case of an Employee who is absent from work for "maternity or paternity" reasons, the 12-consecutive-month period beginning on the first anniversary of the first day of such absence shall not constitute a Period of Severance. For the purposes of this Section, an absence from work for maternity or paternity reasons means an absence (a) by reason of the pregnancy of the Employee, (b) by reason of the birth of a child of the Employee, (c) by reason of the placement of a child with the Employee in connection with the adoption of such child by such Employee, or (d) for purposes of caring for such child for a period beginning immediately following such birth or placement. In order for an absence to be considered for "maternity or paternity" reasons under this Section, an Employee shall provide the Employee Benefits Committee information establishing (1) that the absence from work is for reasons set forth in the preceding sentence and (2) the number of days for which there was such an absence. Nothing in this Section shall be construed as expanding or amending any maternity or paternity leave policy of the Employer.

Section 2.40 "Plan" shall mean the Verizon Wireless Retirement Plan (prior to the Effective Date, the Upstate Cellular Network Pension Plan) as set forth herein, and as the same may from time to time hereafter be amended.

Section 2.41 "Plan Year" shall mean the calendar year.

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Section 2.42 "Postponed Retirement Date" shall mean the first day of the month coincident with or next following the date of a Participant's Separation from Service subsequent to his Normal Retirement Date.

Section 2.43 "Prior Pension Plan" shall mean the AirTouch Communications Employees Pension Plan or the Upstate Cellular Network Pension Plan, as applicable, as in effect on December 31, 2000.

Section 2.44 "QDRO" shall mean a "qualified domestic relations order" within the meaning of section 206(d)(3)(B) of ERISA and section 414(p) of the Code.

Section 2.45 "Qualified Joint and Survivor Annuity" shall mean an annuity for the life of the Participant, with a benefit payable after the death of the Participant to the surviving Spouse of the Participant for the life of such surviving Spouse, where the periodic benefit payable to such surviving Spouse is 50% of the periodic benefit payable to the Participant during his lifetime, and where the annuity provided is the Actuarial Equivalent of the Participant's benefit payable in the form of a single life annuity as described in Section 10.02(a)(1) hereof as of his Benefit Payment Date; provided, however, with respect to a Participant's UCN Annuity Pension Benefit, in no event shall any reduction from the life annuity payable to the Participant exceed 10% of the life annuity amount and if the Participant's spouse predeceases the Participant, the benefits thereafter payable to the Participant shall revert to the unreduced amount to which the Participant is entitled in accordance with the benefit formula of Article V.

Section 2.46 "Qualified Military Service" shall mean, effective December 12, 1994, any service in the uniformed services (as defined in Chapter 43 of Title 38, United States Code) by any Employee if such Employee is entitled to reemployment rights under such Chapter with respect to such service.

Section 2.47 "Qualified Pre-Retirement Survivor Annuity" shall mean an annuity for the surviving Spouse of a Participant in an amount equal to the amount payable to such surviving Spouse if the benefits had been paid as a Qualified Joint and Survivor Annuity. If the Participant dies after his Early Retirement Date the benefit amount shall be determined as if the Participant had retired with an immediate Qualified Joint and Survivor Annuity on the day before his death. In the case of a Participant who has any vested Accrued Benefit and who dies on or before his Early Retirement Date, the benefit amount shall be calculated as if he had (a) separated from service on his date of death; (b) survived to his Early Retirement Date; (c) retired with an immediate Qualified Joint and Survivor Annuity on his Early Retirement Date; and (d) died on the day after what would have been his Early Retirement Date.

Section 2.48 "Reemployment Commencement Date" shall mean, with respect to any person, the first date following a Severance Date on which that person performs an Hour of Service as described in Section 2.25.

Section 2.49 "Required Beginning Date" shall mean April 1 of the calendar year following the later of (a) the calendar year in which the Participant attains age 70-1/2 or (b) the calendar year in which the Participant retires.

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Section 2.50 "Separation from Service" shall mean, for any Employee, his death, retirement, resignation, discharge, or any absence or event that causes him to cease to be an Employee. An Employee shall not be considered to have had a Separation from Service during a period of Qualified Military Service if he returns to active service with a Participating Employer or Affiliated Company within such period during which his reemployment rights are protected by law.

Section 2.51 "Severance Date" shall mean the earlier of (a) the date an Employee dies or retires, quits or is discharged from the Participating Employer and all Affiliated Companies, or (b) the first anniversary of the date that the Employee is otherwise first absent from work from the Participating Employer and all Affiliated Companies (with or without pay) for any other reason; provided, however, that if the Employee is on a military leave of absence, under leave granted by the Participating Employer or an Affiliated Company or required by law (effective as of December 12, 1994, including Qualified Military Service), the Employee shall not be considered to have had a Severance Date provided the absent Employee returns to active service with the Participating Employer or Affiliated Company within ninety (90) days of his release from active duty or such shorter or longer period during which his reemployment rights are protected by law.

Section 2.52 "Spouse" shall mean (i) with respect to Sections 2.45 and 2.47 and Article X, the person who is married to the Participant on his Benefit Payment Date, and (ii) with respect to Section 9.02, the person who is married to the Participant on the date of his death. When the word "spouse" is used without an initial capital letter in the Plan, it shall mean the person to whom the Participant is married as of the date of reference.

Section 2.53 "Total Disability" shall mean a disability for which a Participant is eligible for and is receiving disability benefits under the Participating Employer's Long Term Disability Plan; provided, however, that with respect to a Participant's UCN Annuity Pension Benefit, "Total Disability" shall mean a physical or mental condition which, in the judgment of the Employee Benefits Committee, based on medical reports and other evidence satisfactory to the Employee Benefits Committee, will permanently prevent a Participant from satisfactorily performing his usual duties for the Participating Employer.

Section 2.54 "Transition Benefit Account" shall mean the bookkeeping account maintained with respect to a Participant in accordance with Section 6.01 to track the Participant's Accrued Benefit under the Plan attributable to Transition Benefit Credits and Interest Credits that may be credited in the manner described in the Plan. As more fully described in Section 6.01 of the Plan, a Transition Benefit Account does not represent a separately funded account, or an account into which any assets are segregated for an individual Participant, but rather a record of the Participant's Accrued Benefit under the Plan attributable to Transition and Interest Credits described above.

Section 2.55 "Transition Benefit Credits" shall mean the dollar credits, if any, credited to a Participant's Transition Benefit Account in accordance with Section 6.03.

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Section 2.56 "Trust Agreement" shall mean an instrument executed by the Company and a Trustee for purposes of providing a vehicle for investment of the assets of the Plan.

Section 2.57 "Trustee" shall mean a party or parties appointed by the Company to hold all or part of the assets of the Plan and each of their respective successors.

Section 2.58 "UCN Annuity Pension Benefit" shall mean the portion of a Participant's Accrued Benefit under the Plan that was frozen as of December 31, 1996 pursuant to Article V and which shall remain expressed as an annuity in the normal form described in Section 10.02(a)(1).

Section 2.59 "Year of Service" shall mean the service credited to an Employee for purposes of determining the Employee's nonforfeitable interest in and eligibility to receive payment of his UCN Annuity Pension Benefit under the Plan, credited as described in Article IV.

Section 2.60 "Year of UCN Participation" shall mean the service credited to an Employee for purposes of determining the amount of the Employee's UCN Annuity Pension Benefit under the Plan, credited as described in Article IV.

Section 2.61 "Year of Vesting Service" shall mean the service credited to an Employee for purposes of determining the Employee's nonforfeitable interest in amounts credited to his Transition Benefit Account under the Plan, credited as described in Article IV.

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ARTICLE III

ELIGIBILITY FOR PARTICIPATION

Section 3.01 Transition Benefit Participation.

(a) Eligibility to Participate. Each Employee who was employed on December 31, 2000 by an employer that became a Participating Employer on or before the Effective Date or was employed on December 31, 2000 by PrimeCo Personal Communications LP, Bell Atlantic Cellular Consulting Group Inc., Verizon Wireless of the Southeast, Inc., or Vodafone Americas Asia Inc. and was transferred to a Participating Employer (other than Vodafone Americas Asia Inc.) as of January 1, 2001 shall be an Active Participant for purposes of Article VI of the Plan as of the Effective Date, if he is then a Covered Employee. Any other Employee hired by a Participating Employer on or after January 1, 2001 shall be ineligible to participate in the Plan as an Active Participant for purposes of Article VI, even if he is otherwise a Covered Employee, a Participant with a UCN Annuity Pension Benefit or a Participant with an AirTouch Annuity Pension Benefit. See Section 3.02 below for eligibility rules applicable to a Participant with a UCN Annuity Pension Benefit. See Appendix C for eligibility rules applicable to a Participant with an AirTouch Annuity Pension Benefit.

(b) Recommencement of Participation. An Active Participant who ceases to be a Covered Employee shall once again become an Active Participant for purposes of Article VI of the Plan on the date on which he resumes his status as a Covered Employee.

(c) Transfer to Non-Covered Employment. If a Participant ceases to be a Covered Employee but remains in the employ of a Participating Employer or an Affiliated Company, he shall remain a Participant, but shall accrue no benefits hereunder for service rendered or hours worked while he is not a Covered Employee.

Section 3.02 UCN Annuity Pension Benefit. With respect to a UCN Annuity Pension Benefit, no person who was not a Participant on December 31, 1995 shall be eligible to commence participation in the Plan.

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ARTICLE IV

CREDITING OF SERVICE

Section 4.01 Crediting of Service for Transition Benefit Credits. The following rules shall apply for calculating service under this Plan with respect to amounts credited to a Participant's Transition Benefit Account:

(a) Crediting Years of Vesting Service. Except as provided otherwise in Section 4.03, an Employee shall be credited with full and partial Years of Vesting Service for the period from his Employment Commencement Date or Reemployment Commencement Date to his Severance Date. Years of Vesting Service shall be calculated on the basis of twelve (12) consecutive months of employment equal one year. For this purpose, periods of less than twelve (12) consecutive months which are not disregarded under Section 4.03 shall be aggregated on the basis that thirty (30) days equal one completed month or one-twelfth (1/12) of a year and twelve (12) completed months equal one year. After aggregation, any period of service of less than thirty (30) days shall be treated as a completed month. The following additional rules shall apply in calculating Years of Vesting Service under this subsection:

(1) If an Employee retires, quits, is discharged, or otherwise experiences a Separation from Service, the period commencing on the Employee's Severance Date and ending on the first date on which he again performs an Hour of Service shall be taken into account, if such date is within twelve (12) consecutive months of the date on which he last performed an Hour of Service;

(2) If the Employee is absent from work for a reason other than one specified in Paragraph (1) above and within twelve (12) months of the first day of such absence, the Employee retires, quits, discharged, or otherwise experiences a Separation from Service, the period commencing on the first day of such absence and ending on the first day he again performs an Hour of Service shall be taken into account, if such day is within twelve (12) months of the date his absence began;

(3) Except to the extent specified in Paragraph (4) below, service with an Affiliated Company before it becomes or after it ceases to be an Affiliated Company shall be disregarded except to the extent otherwise specified by action of the Board; and

(4) Years of vesting service credited as of December 31, 2000 for an Active Participant under the Verizon Wireless Savings and Retirement Plan, another 401(k) plan sponsored by a Participating Employer or a subsidiary thereof, under a Prior Pension Plan, or otherwise counted under the Plan for vesting purposes shall be counted as Years of Vesting Service under this Plan (except any such service which has been disregarded pursuant to the break in service rules contained in such plan) with

(5) Years of vesting service shall continue to be credited if an Active Participant is transferred to a partner of a Participating Employer.

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(6) Years of vesting service shall include a Participant's service with a Participating Employer that was not counted under the Plan for purposes of determining the Participant's eligibility for a UCN Annuity Pension Benefit.

Section 4.02 Crediting of Service for UCN Annuity Pension Benefit. The following rules shall apply for calculating service under this Plan with respect to a Participant's UCN Annuity Pension Benefit:

(a) Crediting Years of Service. Except as provided otherwise in Sections 4.04 and 5.03, an Employee shall be credited with a Year of Service for each Plan Year during which the Employee completes at least 1,000 Hours of Service with a Participating Employer or an Affiliated Company. In the case of an Employee who was employed by a Partner immediately preceding his employment with the Participating Employer, a Year of Service shall include each calendar year in which the Employee completed at least 1,000 Hours of Service with the Partner, provided that no such additional service credited under an early retirement incentive of a Partner Plan shall be credited under this Plan. Except to the extent specified in this Section 4.02(a) and Section 5.03, service with an Affiliated Company before it becomes or after it ceases to be an Affiliated Company shall be disregarded except to the extent otherwise specified by action of the Board. Notwithstanding the foregoing, Years of Service for periods after December 31, 2000 shall be determined using the elapsed time method described in Section 4.01(a) (but disregarding Sections 4.01(a)(4), (5) and (6)).

(b) Crediting Years of UCN Participation. Except as provided otherwise in Sections 4.04 and 5.03, an Employee shall be credited with a Year of UCN Participation for each Plan Year after the original Effective Date of the Plan, but prior to January 1, 1997, during which the Employee is in a class of employment eligible to participate in the Plan under the terms of the Plan as in effect during such period and the Employee completes at least 1,000 Hours of Service with a Participating Employer. In the case of a Participant who was covered by a Partner Plan and who was transferred prior to January 1, 1997 directly to a Participating Employer from the Partner, the term Year of UCN Participation includes each year during which the Employee accrued a benefit under the Partner Plan, provided that no such additional service credited under an early retirement incentive of a Partner Plan shall be credited under this Plan. Except to the extent specified in this Section 4.02(b) and Section 5.03, service with a Participating Employer before it becomes or after it ceases to be a Participating Employer shall be disregarded except to the extent otherwise specified by action of the Board.

(c) Post-Freeze Service. Notwithstanding anything herein to the contrary, no service with a Participating Employer or any Affiliated Company after December 31, 1996 shall be taken into account under this Plan for the purpose of calculating the amount of a person's UCN Annuity Pension Benefit, but such service shall be taken into account as Years of Service for purposes of determining eligibility for payment of a Participant's UCN Annuity Pension Benefit.

Section 4.03 Treatment of Years of Vesting Service Upon Reemployment for Amounts Credited to Transition Benefit Accounts. Upon an individual's reemployment as a Covered Employee after a Separation from Service, he shall retain credit for the

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Years of Vesting Service he had earned prior to his Severance Date; provided, however, if the Participant has incurred a Period of Severance, Years of Vesting Service completed prior to the Period of Severance shall be disregarded upon the Participant's reemployment as a Covered Employee, if:

(a) The Participant had no vested interest in his Accrued Benefit under the Plan at the time of his Severance Date, and

(b) The Participant's number of consecutive Periods of Severance experienced by the Participant (including in such series of Periods of Severance the Period of Severance with regard to which a determination is being made as to whether prior Years of Vesting Service are disregarded hereunder) equal or exceed the greater of:

(1) five (5) or

(2) the number of Years of Vesting Service, other than cancelled service, completed by the Employee, prior to his Period of Severance.

Section 4.04 Treatment of Service Upon Reemployment for UCN Annuity Pension Benefit Purposes. Upon an individual's reemployment as a Covered Employee after a Separation from Service, he shall retain credit for the Years of UCN Participation and Years of Service he had earned prior to his Break in Service, except as follows:

(a) Treatment of Years of Service. If the Participant has incurred a Break in Service, Years of Service completed prior to the Break in Service shall be disregarded upon the Participant's reemployment, if:

(1) The Participant had no vested interest in his Accrued Benefit under the Plan at the time of his Break in Service, and

(2) The number of consecutive Breaks in Service experienced by the Participant (including in such series of Breaks in Service, the Breaks in Service with regard to which a determination is being made as to whether prior Years of Service are disregarded hereunder) equal or exceed the greater of:

(A) five (5) or

(B) the number of Years of Service, other than cancelled service, completed by the Employee, prior to his Break in Service.

(3) Notwithstanding the foregoing, if a Participant's Vesting Service is disregarded pursuant to this Section 4.04(a), such Vesting Service shall be restored if he completes five Years of Service following his Reemployment Commencement Date, if he is then a Covered Employee.

(b) Cash-Outs. Years of UCN Participation and Years of Service completed prior to any Break in Service, where the Participant has received or is deemed to receive a single-sum settlement of his entire vested Accrued Benefit pursuant to

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Section 10.01 or Section 10.03(a)(3), shall be disregarded upon a Participant's reemployment; provided, however, that:

(1) Years of UCN Participation and Years of Service of a Participant described in the preceding portion of this sentence who has been deemed to receive a distribution of his entire vested Accrued Benefit of zero dollars shall not be disregarded pursuant to this Section if the Participant again becomes a Covered Employee at a time when the number of consecutive Breaks in Service experienced by the Participant is less than 5; and

(2) Years of UCN Participation and Years of Service of a Participant described in the preceding portion of this sentence who has received a distribution of his entire vested Accrued Benefit pursuant to Section 10.01 or 10.03(a)(3) shall not be disregarded pursuant to this Section if the Participant again becomes a Covered Employee and repays the full amount of the cash-out distribution plus interest from the date of distribution to the date of repayment, compounded annually at the rate of 120% of the federal mid-term rate (as in effect under section 1274 of the Code for the first month of a Plan Year (or such other rate as may be provided in ERISA regulations) per annum before the Participant has five (5) consecutive one year Breaks in Service beginning after the distribution.

Section 4.05 Special Rules. Notwithstanding anything in Section 4.01 or 4.02 to the contrary, and subject to provisions of Section 4.03 and 4.04 (as applicable), service credited, if any, for purposes of a Participant's AirTouch Annuity Pension Benefit shall be credited as described in Appendix C.

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ARTICLE V

UCN ANNUITY PENSION BENEFIT FORMULA

Section 5.01 Calculation of UCN Annuity Pension Benefit. The annual rate of retirement income benefit with respect to a Participant's UCN Annuity Pension Benefit commencing on the Participant's Normal Retirement Date shall be the sum of (a) and (b) less, where pertinent, (c) where:

(a) equals 1.39 percent times the Participant's Years of UCN Participation times the Participant's average annual Compensation during the five (for all Participants on the active payroll on or after December 31, 1995, three) consecutive Years of Participation (or during all Years of UCN Participation if less than the foregoing applicable number of Years of Participation) during which the Participant was paid the highest annual Compensation but not to exceed the Social Security Wage Base in effect during the calendar year preceding retirement; plus

(b) equals 1.54 percent times the Participant's Years of UCN Participation times the average of his last five (for all Participants on the active payroll on or after December 31, 1995, three) years (or all Years of UCN Participation if less than the foregoing applicable number of Years of Participation) of Compensation preceding retirement in excess of the Social Security Wage Base in effect during the calendar year preceding retirement; less

(c) equals, for persons whose Years of UCN Participation in (a) or (b) above take into account service under a Partner's Plan, the benefit payable to the Participant under the Partner's Plan expressed in terms of a life annuity benefit payable at the same time as the benefit payable under this Plan and using the same actuarial equivalent factors used under this Plan.

This formula benefit is computed on the basis of the benefit being payable in the form of an annuity for the life of the Participant with no further payments after his death. The actual amount of accrual or monthly benefit shall depend on the actual form of payment being paid in accordance with Article X which shall, in any event, be a benefit of actuarially equivalent value of the rate determined under this Section 5.01.

Section 5.02 UCN Annuity Pension Benefit. A Participant's UCN Annuity Pension Benefit at any particular point in time shall equal his Section 5.01 formula benefit based upon his Compensation and Years of UCN Participation as of the date such portion of his Accrued Benefit is being determined.

Section 5.03 UCN Annuity Pension Benefit Transfer Policy.

(a) Where the Code Does Not Treat this Plan and Another Plan as a Single Plan. If a Participant ceases to be an active Participant in this Plan prior to the Effective Date because he has been transferred to the employ of an Affiliated Company that maintains a defined benefit pension plan, his UCN Annuity Pension Benefit under this Plan together with an allocable portion of the Plan's assets shall be transferred to the

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plan maintained by the Affiliated Company. The transfer of assets and liabilities shall be made at such time and pursuant to such terms and conditions as the Employee Benefits Committee may determine in accordance with applicable law.

If an Employee who became an active Participant in this Plan prior to the Effective Date has an accrued benefit under a defined benefit pension plan maintained by an Affiliated Company, the Employee Benefits Committee shall accept a transfer of such accrued benefit, together with an allocable portion of the other plan's assets at such time and pursuant to such terms and conditions as the Employee Benefits Committee may determine in accordance with applicable law. In the event of such transfer, the Participant's benefits shall be determined pursuant to the terms of this Plan taking into account all of the Participant's compensation and service credited under the Affiliated Company's plan as of the date of transfer. If this Plan has a career pay formula, current and future benefit accruals shall be determined under this Plan's formula while a Participant's past service benefit shall equal the accrued benefit transferred to the Plan.

In no event shall a Participant's UCN Annuity Pension Benefit under this Plan be less than the accrued benefit he earned under the Affiliated Company's plan as of the date such benefit is transferred to the Plan, including early retirement benefits, retirement-type subsidies and optional forms of benefits, all as determined pursuant to Code section 411(d)(6) regulations thereunder.

A Participant in this Plan shall be credited with all Years of Service with the Employer and with any Affiliated Company for purposes of eligibility, vesting and entitlement to benefits, whether or not the Participant had an accrued benefit in another plan that has been transferred to this Plan.

(b) Transfer to a Partner. If a Participant is transferred prior to the Effective Date from the Participating Employer directly to a Partner, the Participant may elect to transfer his UCN Annuity Pension Benefit under this Plan and assets equivalent to the present value of his UCN Annuity Pension Benefit (using the PBGC required interest rate in effect on the first day of the Plan Year in which the transfer is elected) to the Partners' defined benefit pension plan. Any such transfer shall be subject to the terms and conditions of the Partner's Plan.

Section 5.04 UCN Annuity Pension Benefit Freeze. Notwithstanding anything herein to the contrary, all UCN Annuity Pension Benefits under the Plan as of December 31, 1996 shall be frozen as of such date and no further UCN Annuity Pension Benefits shall accrue after December 31, 1996.

Section 5.05 20% UCN Annuity Pension Benefit Increase. Each Plan Participant who is on the active payroll as of January 1, 1996 who has five or more Years of Service under this Plan upon the earlier of (a) termination of employment or (b) December 31, 1996, shall have his UCN Annuity Pension Benefit at the earlier of (1) termination of employment or (2) December 31, 1996 increased by 20%. For this purpose, an eligible Participant's UCN Annuity Pension Benefit shall include the three year average and compensation changes described in Section 5.01 above.

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ARTICLE VI

TRANSITION BENEFIT ACCOUNTS AND CREDITS

Section 6.01 Establishment of Transition Benefit Account. A Transition Benefit Account shall be established and maintained for each Active Participant and credits shall be made to such Account in accordance with the provisions of this Article VI. The Transition Benefit Accounts established and maintained hereunder are for bookkeeping purposes only and shall not be construed as creating for any Employee a right to specific assets of the Plan.

Section 6.02 Allocations to Transition Benefit Account. Transition Benefit Credits and Interest Credits generally shall be allocated to the Transition Benefit Account of an Active Participant in accordance with this Section 6.02 until such Participant's Benefit Payment Date. Transition Benefit Credits and Interest Credits with respect to a Participant's period of Qualified Military Service shall be provided in accordance with section 414(u) of the Code.

(a) Allocation of Transition Benefit Credits. The Transition Benefit Account of each Active Participant who completes a Year of Participation during a Plan Year shall be increased as of the last day of such Plan Year, or, if earlier, as of the Participant's Benefit Payment Date, by the amount of Transition Benefit Credits allocable under Section 6.03.

(b) Allocation of Interest Credits. Interest Credits on the balance of each Participant's Transition Benefit Account shall be allocated to the Participant's Transition Benefit Account as of the last day of the Plan Year in accordance with Section 6.04. Interest Credits shall continue to be allocated to the Transition Benefit Account of a Participant who has incurred a Separation from Service until such Participant's Benefit Payment Date and the applicable interest crediting rate shall be prorated for any interest computation period shorter than a Plan Year.

Section 6.03 Transition Benefit Credits. Each Plan Year, Transition Benefit Credits shall be credited to the Transition Benefit Account of each Active Participant who completes a Year of Participation during such Plan Year in an amount equal to 2 percent of his Compensation.

Section 6.04 Interest Credits. Each Participant's Transition Benefit Account shall be credited with interest based on the balance of the Participant's Transition Benefit Account and an interest rate equal to the annual rate of interest on 30-year Treasury securities (or any replacement index specified by the Secretary of the Treasury under section 417(e)(3)(A)(ii)(II) of the Code) for the second month prior to the first day of the applicable Plan Year, compounded annually. If an Active Participant has a Separation of Service during a Plan Year, he shall receive a prorated portion of the Interest Credit equal to the Interest Credit for the Plan Year multiplied by a fraction, the numerator of which is the number of full months of employment the Participant completed prior to his Separation from Service and the denominator of which is 12. Such interest shall be

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credited to the Participant's Transition Benefit Account prior to the crediting of Transition Benefit Credits under Section 6.03 with respect to such Plan Year.

Section 6.05 Termination of Transition Benefit Account. A Participant's Transition Benefit Account shall be terminated as follows:

(a) Commencement of Distribution. If distributions commence under Article X to the Participant, the Participant's Transition Benefit Account shall be terminated as of the Participant's Benefit Payment Date.

(b) Death of a Participant. If a Participant dies prior to the Benefit Payment Date at a time when the Participant was fully vested in his Transition Benefit Account, the Participant's Transition Benefit Account shall cease to exist upon commencement of the death benefit described in Section 9.02 or 9.03.

(c) Separation from Service Prior to Vesting. A Participant's Transition Benefit Account shall be eliminated if a non-vested Participant is deemed to have received a zero-dollar distribution of the Participant's entire nonforfeitable Accrued Benefit as of the Participant's Separation from Service in accordance with Section 10.01, provided that the Transition Benefit Account shall be restored if the Participant has a Reemployment Commencement Date prior to the date on which the Participant incurs a Period of Severance of five consecutive years. In such a case, the Transition Benefit Account shall be restored to the same balance it would have had if it had never been eliminated, taking into account the Interest Credits which would have accrued in the interim.

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ARTICLE VII

ACCRUED BENEFIT

Section 7.01 Accrued Benefit. Subject to the rules prohibiting cut-backs under Appendix C with respect to portability benefits and except as provided in Section 7.02 (Code Section 415 Limits), a Participant's Accrued Benefit under the Plan shall be equal to the Participant's Transition Benefit Account, if any, plus the following pension benefits, if any:

(a) The UCN Annuity Pension Benefit determined pursuant to Article V; and

(b) The AirTouch Annuity Pension Benefit determined pursuant to Appendix C.

Section 7.02 Maximum Benefit Limitations.

(a) Maximum Benefit Limitations. A Participant's Accrued Benefit under the Plan shall not exceed the amount set forth in section 415 of the Code, the limitations of which are hereby incorporated by reference to the Plan. For purposes of this Section 7.02, the term "compensation" for a Limitation Year is defined in Section 2.13(c) of the Plan.

(b) Combined Plans and Affiliated Companies Limitations.

(1) If the Participant is a participant in any other qualified defined benefit pension plan sponsored by a Participating Employer or an Affiliated Company, the Participant's pension benefit under such other plan shall be aggregated with his projected benefit under the Plan, and the benefit under the Plan and such other plan shall be reduced proportionally, to the extent necessary, so that the aggregate of such benefits does not exceed the limitations set forth in this Section.

(2) If the Participant is a participant in one or more qualified defined contribution plans sponsored by a Participating Employer or an Affiliated Company, his benefit under the Plan and any other defined benefit plan sponsored by a Participating Employer or an Affiliated Company shall be reduced proportionally, to the extent necessary, to meet the combined plan limits of section 415(e) of the Code; provided, however, that prior to the Effective Date, the Employee Benefits Committee in its discretion reduced any such contributions or other benefits, including UCN Annuity Pension Benefits, to the extent necessary to meet the combined plan limits of section 415(e) of the Code; and provided, further that the Accrued Benefit of a Participant who is credited with an Hour of Service on or after January 1, 2000 shall not be reduced to meet such limit with respect to payments due on or after January 1, 2000.

(c) Cost of Living Adjustments. If the maximum dollar limitation under this Section 7.02 and under section 415 of the Code is increased in accordance with cost of living adjustments pursuant to section 415 of the Code, all UCN Annuity Pension Benefits in pay status that are subject to such limitation shall increase to the maximum

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level permitted taking into account the cost of living adjustment, provided that in no event shall a Participant's UCN Annuity Pension Benefit be increased to more than the level of the Participant's UCN Annuity Pension Benefit under the Plan calculated without regard to the Code's dollar limitation.

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ARTICLE VIII

RETIREMENT BENEFITS

Section 8.01 Normal Retirement Benefits. Each Participant who has a Separation from Service upon attaining Normal Retirement Age shall be entitled to receive a monthly pension commencing as of his Normal Retirement Date equal to the Participant's Accrued Benefit or its Actuarial Equivalent in a form set forth in Article X. Each Participant shall have a fully vested and nonforfeitable interest in his Accrued Benefit upon attainment of Normal Retirement Age while an Employee.

Section 8.02 Postponed Retirement Benefits. In the event that the Participant remains an Employee after his Normal Retirement Date, he shall be entitled to a monthly pension commencing as of his Postponed Retirement Date. The Participant's benefit commencing as of the date described in the preceding sentence shall equal his Accrued Benefit (or the Actuarial Equivalent in a form set forth in Article X) determined as of his Postponed Retirement Date; provided, however, that a Participant's UCN Annuity Pension Benefit shall be equal to the Section 5.01 formula benefit using the Participant's relevant service and Compensation as of the earlier of the date he terminates employment or December 31, 1996. No actuarial adjustment shall be made to account for the benefit payments commencing after Normal Retirement Age provided, however, for any Participant whose Required Beginning Date is April 1 of the calendar year after the year in which he incurs a Separation from Service, an Actuarial Equivalent adjustment to reflect commencement of payments after April 1 following the calendar year in which he attained age 70-1/2. The Actuarial Equivalent adjustment described in the preceding sentence for any year shall reduce (but not below zero) any increase in the Participant's Accrued Benefit for the year attributable to additional Transition Benefit Credits and Interest Credits.

Section 8.03 UCN Early and Disability Retirement Pension Benefits.

(a) Unreduced UCN Early Retirement Pension Benefit. A Participant who reaches age 55 and completes at least 20 Years of Service or who completes at least 30 Years of Service, regardless of his age, may elect early retirement with respect to his UCN Annuity Pension Benefit. The amount of his UCN Annuity Pension Benefit payable as an early retirement benefit shall be determined in accordance with Article V using the Participant's relevant service and Compensation as of the earlier of the date he terminates employment or December 31, 1996. This benefit shall be payable on the Participant's Early Retirement Date without reduction to take account of its being paid prior to Normal Retirement Age.

(b) Reduced UCN Early Retirement Pension Benefit. Each Participant who reaches age 50 but not 55 and who has completed at least 25 Years of Service may also elect early retirement with respect to his UCN Annuity Pension Benefit. The amount of this benefit shall be determined in accordance with Article V using the Participant's relevant service and Compensation as of the earlier of the date he terminates employment

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or December 31, 1996. If the benefit is payable prior to age 55 it shall be reduced by 0.5 percent for each calendar month or part thereof by which his age at Separation from Service is less than 55 years.

(c) Eligibility for UCN Retirement Benefits. Notwithstanding anything herein to the contrary, for purposes of determining whether a Participant has met the age and service requirements for payment of his UCN Annuity Pension Benefit as an unreduced and reduced early retirement benefits, the age requirements and the service requirements shall be reduced by three for each Participant on the active payroll on or after December 31, 1995. For example, if an unreduced benefit is normally available for Participants who have reached age 55 and have 20 Years of Service, under this enhancement, the requirement shall be reduced to age 52 with 17 Years of Service.

(d) Eligibility for UCN Retirement Benefits Pending NYNEX Corporation Pension Plan Eligibility. Effective as of [January 1, 1997], a Participant with a benefit under the NYNEX Corporation Pension Plan shall be eligible for an unreduced pension under this Plan if the requirements described above are met equal for the Participant's UCN Annuity Pension Benefit and the unreduced pension benefit that the Participant would be eligible to receive under the NYNEX Corporation Pension Plan as if he met such eligibility requirements; provided, however, that such unreduced pension shall terminate when the Participant otherwise satisfies the eligibility requirements for an unreduced pension under the NYNEX Corporation Pension Plan.

(e) UCN Early Retirement Pension Benefit Commencement.

(1) A Participant described in subsection (a), (b), (c), or (d) above may elect in writing, no earlier than 90 days prior to his Benefit Payment Date and in no event earlier than the date he receives the explanation described in Section 10.02(b)(4), to receive, in lieu of the benefit starting as of his Normal Retirement Date, a benefit determined as described in subsection (a), (b), (c), or (d) above hereof (or its Actuarial Equivalent in a form set forth in Article X) starting as of his Early Retirement Date or the first day of any month thereafter prior to his Normal Retirement Date. A Participant's Benefit Payment Date shall not occur earlier than 30 days after the Participant receives the explanation described in Section 10.02(b)(4).

(f) UCN Annuity Disability Benefit. A Participant with 15 Years of Service who has a Separation from Service on account of Total Disability before he is eligible for a normal or early UCN retirement benefit shall be entitled to receive a disability pension benefit commencing at what would have been the Participant's Normal Retirement Date. The amount of this benefit shall be determined in accordance with Article V using the Participant's relevant service and Compensation as of the earlier of the date he has a Separation from Service or December 31, 1996.

Section 8.04 Deferred Vested Benefit.

(a) Transition Benefit Account. A Participant who has a Separation from Service prior to the time he is eligible to retire on a Normal Retirement Date but after he has completed three (3) or more Years of Vesting Service or suffered a Total

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Disability shall be fully vested and entitled to receive his Transition Benefit Account as a monthly pension commencing as of his Normal Retirement Date in an amount which, subject to Section 7.02, is equal to his Transition Benefit Account (or its Actuarial Equivalent in a form set forth in Article X), determined as of his Separation from Service with Interest Credits until the Participant's Benefit Payment Date; unless it is cashed out earlier in accordance with Section 10.01 or, at the Participant's election, is paid at a date on or before the Participant's Normal Retirement Age.

(b) UCN Annuity Pension Benefit. A Participant who has five or more Years of Service and has a Separation from Service before he is eligible for a normal or an early retirement benefit as described in Section 8.03(a) or (b), as modified by (c) or (d) (if applicable) shall be entitled to receive a deferred vested benefit with respect to his UCN Annuity Pension Benefit. The amount of this benefit shall be equal to the Participant's UCN Annuity Pension Benefit as of the earlier of the date he terminates employment or December 31, 1996. This deferred vested benefit shall be paid commencing on what would have been the Participant's Normal Retirement Date unless it is cashed out earlier in accordance with Section 10.01 or, at the Participant's election, is paid at what would have been the Participant's Early Retirement Date, providing that the Participant has sufficient service and has reached the age or ages prescribed in Sections 8.03 (a) or (b) as modified by (c), which ever is applicable. If a Participant elects to have his deferred vested benefit paid prior to Normal Retirement Age, the monthly benefit shall be reduced to the Actuarial Equivalent of the benefit which would have been payable at his Normal Retirement Date. All UCN Annuity Pension Benefits accrued under the Plan as of December 31, 1996 shall become or shall remain 100% vested.

(c) Deferred Vested Benefit Commencement.

(1) A Participant who satisfies the requirements in subsection (a) may elect in writing, no earlier than 90 days prior to his Benefit Payment Date and in no event earlier than the date he receives the explanation described in Section 10.02(b)(4), to receive, in lieu of the benefit starting as of his Normal Retirement Date, a benefit starting, or payable, as of the first day of the month coincident with or next following his Separation from Service, or the first day of any month thereafter but no later than his Normal Retirement Age, which benefit shall be the Actuarial Equivalent of his Transition Benefit Account and payable in a form set forth in Article X.

(2) A Participant who satisfies the requirements in subsection (b) may elect in writing, no earlier than 90 days prior to his Benefit Payment Date and in no event earlier than the date he receives the explanation described in Section 10.02(b)(4), to receive, in lieu of the benefit starting as of his Normal Retirement Date, a benefit starting, or payable, as of the earlier date set forth in subsection (b), which benefit shall be the Actuarial Equivalent of his UCN Annuity Pension Benefit which would have been payable at this Normal Retirement Date and payable in a form set forth in Article X.

(3) Notwithstanding the foregoing, a Participant's Benefit Payment Date shall not occur earlier than 30 days after the Participant receives the explanation described in Section 10.02(b)(4).

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Section 8.05 Failure to Elect Payment by Normal Retirement Age. If a Participant (a) who was formerly an Active Participant, (b) who incurred a Separation from Service after becoming vested in his Accrued Benefit, and (c) who has not received a complete distribution of his Accrued Benefit, fails to elect to receive payment in a particular optional form of payment described in Section 10.03 by the date the Participant attained Normal Retirement Age, then the Employee Benefits Committee may commence payment in the automatic form of benefit described in Section 10.02(a)(1) or (2), as applicable in accordance with Section 15.01 of the Plan.

Section 8.06 Normal Retirement Benefit. The amount of the normal retirement benefit provided shall be the greater of what a Participant or Vested Participant could have received under the early retirement provisions of the Plan or the benefit commencing at his Normal Retirement Date.

Section 8.07 Benefits Not Affected by Subsequent Social Security Changes. Any benefits which are being paid to a Participant or Beneficiary under this Plan and the vested benefit of a Participant who has separated from the service of a Participating Employer shall not be decreased by reason of any post-separation increase in the benefit levels or the wage base under Title II of the Social Security Act effective after the later of September 2, 1974, or the date of first receipt of any benefit provided by this Plan. In the case of a Participant who separates from the service of a Participating Employer with a vested benefit and who returns to employment and participation in the Plan, his vested benefit shall not be decreased by reason of any post-separation increase in Social Security benefit levels or the wage base effective after September 2, 1974, and during separation from service which would decrease the benefits to which he would have been entitled had he not returned to service after his separation.

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ARTICLE IX

DEATH BENEFITS

Section 9.01 Death after Benefit Payment Date. In the event of the death of a Participant whose benefits are in "pay status" (i.e., after his Benefit Payment Date), the death benefit shall be determined by the form of payment in effect for the Participant at the time of his death.

Section 9.02 Death Prior to Benefit Payment Date.

(a) UCN Pension Death Benefit. Upon the death of a Participant with a UCN Annuity Pension Benefit who dies prior to his Benefit Payment Date and who dies after becoming vested in his Accrued Benefit, his surviving Spouse shall be entitled to a Qualified Pre-Retirement Survivor Annuity. In the case of a Participant who attained his Early Retirement Date on or before his date of death, this benefit may commence as early as the first day of the month next following the date of death. In other cases, the benefit may commence as early as the first day of the month following what would have been the Participant's Early Retirement Date.

(b) Transition Benefit Account Death Benefit. If a Participant dies prior to his Benefit Payment Date and the Participant was vested in his Accrued Benefit, which consists of a Transition Benefit Account or a Transition Benefit Account and a UCN Annuity Pension Benefit, then the Transition Benefit Account death benefit shall be payable in accordance with this Section 9.02 (b) to the Participant's Spouse or if the Participant has no Spouse, his Beneficiary.

(1) Amount of Death Benefit. As applied to any or all of a deceased Participant's benefit which existed in the form of a Transition Benefit Account at the time of death, the amount of the Transition Benefit Account death benefit shall be determined as follows:

(A) If the Transition Benefit Account death benefit is payable in the form of a single-sum distribution, then the aggregate amount of the benefit shall be equal to the single-sum distribution which the Participant would have been eligible to receive if the Participant had a Separation from Service on the date of death, survived to the Benefit Payment Date, and elected a benefit in the form of a single-sum distribution.

(B) If the Transition Benefit Account death benefit is payable in the form of a single life annuity, then the amount shall be the Actuarial Equivalent of the Participant's Transition Benefit Account on the Benefit Payment Date, based on the age of the designated Beneficiary on the Benefit Payment Date.

(2) Form of Payment. A Participant's Spouse may elect to receive the Transition Benefit Account death benefit described in (b)(1) above either in the form of a single life annuity or in the form of a single-sum distribution. If the Participant does not have a Spouse, the Transition Benefit Account death benefit

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described in (b)(1) above payable to the Participant's Beneficiary shall be paid solely in the form of a single-sum distribution. An election by the Spouse to receive a single-sum distribution must be made by notification to the Employee Benefits Committee within the 90-day period ending on the Benefit Payment Date. Any election for a single-sum distribution may be revoked by the Spouse during the specified election period. Such revocation shall be effected by written notification to the Employee Benefits Committee. Following such revocation, another election may be made at any time during the specified 90-day election period.

(3) Benefit Payment Date. The Benefit Payment Date for the Transition Benefit Account death benefit shall be the later of (A) the earliest date on which the Participant would have been eligible to receive his benefit pursuant to Article X, or (B) the first day of the month following the month in which the Participant's death occurs, unless the Spouse is the sole Beneficiary and elects, in writing, to defer payment until the later of (i) the Participant's Normal Retirement Date or (ii) the first day of the month following the month in which the Participant's death occurs. If the Beneficiary is the estate, a trust or one or more designated Beneficiaries, then the Beneficiary(ies) shall have no right to defer the Benefit Payment Date in the manner stated above.

Section 9.03 Small Cash Balance Death Benefits. Notwithstanding any other provision of this Article IX, if the death benefit payable on behalf of a deceased Participant has a single-sum distribution value of $5,000 or less ($3,500 or less prior to January 1, 1998) as of the Benefit Payment Date, such benefit shall be distributed to the Participant's Beneficiary determined pursuant to Section 10.11 as soon as practicable following the Participant's death in the form of a single-sum distribution.

Section 9.04 Minimum Distribution Requirements. Distributions under the Plan shall otherwise comply with the requirements of section 401(a)(9) of the Code and the regulations thereunder, including the incidental death benefit requirements.

Section 9.05 Sickness Death Benefit. Upon the death of any Employee or any pensioner who retired on or prior to December 31, 1996 and is receiving UCN Annuity Pension Benefits as normal, early, deferred or disability pension benefits in accordance with the provision of Section 8.01, 8.02, 8.03(a) 8.03(b) or 8.03(f) which death is caused by sickness or injury, except an injury arising in the course of employment with the Participating Employer, a death benefit will be paid to:

(a) the spouse of the deceased Employee or pensioner if the spouse is legally married to him at the time of his death;

(b) the unmarried child or children under the age of 23 years (or over that age if physically or mentally incapable of self-support) of the deceased Employee or pensioner who was actually supported in whole or in part by the deceased Employee or pensioner at the time of his death;

(c) a dependent parent who lives in the same household with the Employee or pensioner or who lives in a separate household in the vicinity which is provided for the parent by the Employee or pensioner; or

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(d) a trust for the benefit of any of the above beneficiaries.

If none of the enumerated beneficiaries survives the Employee or pensioner, no death benefit will be paid under this Plan. If two or more of the enumerated beneficiaries survive the Employee or pensioner, the Employee Benefits Committee, in its sole discretion, may pay the death benefit to one of the beneficiaries or allocate it among the beneficiaries in such portions as it may determine.

The amount of the death benefit shall equal 12 months' wages computed at the Employee's or pensioner's most recent rate of pay at the date of death or at retirement, as the case may be. If the Employee or pensioner was not employed full time, the death benefit shall be prorated in accordance with the ratio that the individual's usual Hours of Service during a Plan Year bear to the Hours of Service of full-time employees during a Plan Year. If the Employee or pensioner is entitled to receive a death benefit from a Partner Plan that is similar to the benefit provided under this Section, the benefit hereunder shall be reduced by the death benefit provided under the Partner Plan. For purposes of this Section, the term rate of pay means the total of the following amounts: (1) the Employee's annualized base rate of pay at death, (2) all bonuses paid to the Employee in the calendar year preceding his death and (3) all commissions paid to the Employee in the calendar year preceding his death. The term rate of pay shall not include overtime, tier payments or any other form of special or nonrecurring compensation except for bonuses and commissions included under the preceding sentence.

The term rate of pay shall not include overtime or any other form of special or nonrecurring compensation except for bonuses and commissions included under the preceding sentence, or any amounts in excess of $170,000 (as adjusted for cost of living increases under section 401(a)(17) of the Code) paid to an Employee during any Plan Year.

An Employee or pensioner may file with the Employee Benefits Committee a written direction that the death benefit will be paid to his beneficiary in equal monthly installments over any period of years up to ten. In the absence of such written direction, the Employee Benefits Committee in its sole discretion may pay the death benefit in a lump sum or in installment payments, the number and size of which may be varied by the Employee Benefits Committee as circumstances may indicate.

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ARTICLE X

METHOD AND TIMING OF RETIREMENT BENEFIT DISTRIBUTION

Section 10.01 Cash-Outs.

(a) Cash-Outs. Notwithstanding anything herein to the contrary, if the Actuarial Equivalent single sum present value, determined as of the Benefit Payment Date, of the vested Accrued Benefit payable to a Participant in accordance with Article VIII does not exceed $5,000, such vested Accrued Benefit shall be paid, as soon as administratively practicable following the Participant's Separation from Service (prior to the Effective Date within one year of termination of participation with respect to a UCN Annuity Pension Benefit), as a single-sum in settlement of all liabilities of the Plan in connection with the Participant; provided, however, that such benefit has not commenced in any other form. Notwithstanding the preceding sentence, prior to January 1, 2001, such a distribution would be made only if the Actuarial Equivalent single sum present value, determined as of the Benefit Payment Date, of the vested Accrued Benefit payable to the Participant did not exceed $3,500 and had never exceeded $3,500 at the time of any prior distribution.

(b) Cash-Out Window. Notwithstanding anything herein to the contrary, the vested Accrued Benefit of each Participant who incurred a Separation from Service prior to December 31, 2001 shall be distributed in the manner described in Section 10.01(a) as soon as administratively practicable after December 31, 2001 if the Actuarial Equivalent single-sum value of the Participant's vested Accrued Benefit does not exceed $5,000; provided that the Participant has not been rehired prior to the Benefit Payment Date.

(c) Deemed Cash-Outs. If the present value of a Participant's vested Accrued Benefit at the time of his Separation from Service is zero, the Participant shall be deemed to have received a single-sum payment of his entire vested Accrued Benefit as of the date of his Separation from Service.

Section 10.02 Benefits Not Described in Section 10.01.

(a) Automatic Form of Payment. Where benefits are not subject to the provisions of Section 10.01, the portion of the Participant's Accrued Benefit attributable to his AirTouch Annuity Pension Benefit shall be paid as set forth in Appendix C and the portion of his Accrued Benefit attributable to his UCN Annuity Pension Benefit and his Transition Benefit Account shall be paid as follows:

(1) if a Participant does not have a Spouse as of his Benefit Payment Date, benefits shall be paid in the form of a single life annuity payable monthly during the Participant's lifetime with no further payments on his behalf after his death.

(2) if a Participant does have a Spouse as of his Benefit Payment Date, the Participant's benefits shall be paid in the form of a Qualified Joint and

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Survivor Annuity which is the Actuarial Equivalent of the Participant's vested Accrued Benefit.

(b) Waiver of Automatic Form of Payment.

(1) Participant's Waiver Rights. At any time during the applicable election period but not thereafter, a Participant described in Section 10.02 may elect in writing in a form acceptable to the Employee Benefits Committee to waive payment under the automatic form of payment described in that Section and elect to receive payment in an optional form of payment described in Section 10.03. For the purposes hereof, the applicable election period shall be the 90-day period ending on the Benefit Payment Date.

(2) Revocation of Waivers. Any waiver and election delivered by the Participant to the Employee Benefits Committee in accordance with the provisions of paragraph (1) hereof may be revoked by the Participant upon written notice delivered to the Employee Benefits Committee prior to the Benefit Payment Date.

(3) Spouse's Consent. A married Participant's waiver and election under paragraph (1) shall be effective only if:

(A) the Participant's Spouse (or the Spouse's legal guardian if the Spouse is legally incompetent) executes a written instrument whereby such Spouse irrevocably consents to such election and to the specific form of payment and/or alternate Beneficiary elected by the Participant, and such instrument acknowledges the effect of the election to which the Spouse's consent is given and is witnessed by a notary public (prior to the Effective Date, or by a Plan representative); or

(B) the Participant (i) establishes to the satisfaction of the Employee Benefits Committee that the consent of the Spouse cannot be obtained because the Spouse cannot be located or because of other circumstances that may be prescribed in applicable regulations, or (ii) furnishes a court order to the Employee Benefits Committee establishing that the Participant is legally separated or has been abandoned (within the meaning of local law), unless a QDRO provides that the Spouse's consent must be obtained.

(4) Explanations to Participants. The Employee Benefits Committee shall provide to each Participant, or the Spouse of a deceased Participant who is entitled to a benefit pursuant to Section 9.02 no more than 90 days and no less than 30 days prior to his Benefit Payment Date, a written explanation of:

(A) the terms and conditions of all forms of payment available to the Participant or the Spouse of a deceased Participant, including information explaining the relative values of each form of payment;

(B) the Participant's or the Spouse's right to waive the automatic form of payment and the effect of such waiver;

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(C) the rights of the Participant's Spouse with respect to such waiver;

(D) the right to revoke an election to receive an optional form of payment and the effect of such revocation; and

(E) if the Participant has not attained Normal Retirement Age, the Participant's right to defer commencement of his benefit until his Normal Retirement Age.

(c) Commencement of Benefit Payments. The payment of the portion of a Participant's Accrued Benefit attributable to his AirTouch Annuity Pension Benefit shall commence as set forth in Appendix C. The payment of the portion of a Participant's Accrued Benefit attributable to his UCN Annuity Pension Benefit and his Transition Benefit Account shall normally begin no later than April 1 following the calendar year during which the Participant dies, suffers a Total Disability or reaches his Normal, Early or Postponed Retirement Date, as the case may be, and has terminated employment with the Participating Employer or an Affiliated Company provided that no benefit having a present value of more than $5,000 ($3,500 prior to January 1, 1998) shall be paid prior to the Participant's reaching Normal Retirement Age without the consent of such Participant. In the event of the death of a Participant before his Early or Normal Retirement Date, no optional benefit shall be paid.

Section 10.03 Optional Forms of Benefit Distribution.

(a) Optional Forms. The optional benefits, all of Actuarial Equivalent value, which a Participant may elect pursuant to Section 10.02(b) are as follows:

(1) A married Participant may elect to receive the portion of his Accrued Benefit attributable to his UCN Annuity Pension Benefit and his Transition Benefit Credit in the form of a straight life annuity.

(2) A Participant with a UCN Annuity Pension Benefit may elect to receive the portion of his Accrued Benefit attributable to his UCN Annuity Pension Benefit in the form of a reduced benefit payable during the Participant's life equal to 90 percent of the benefit to which he would otherwise be entitled with the provision that after his death an income at one-half the rate of his reduced benefit payable to his designated parent during the parent's life. If the parent predeceases the Participant, the benefits thereafter payable to the Participant shall revert to the unreduced amount to which he would have otherwise been entitled.

(3) A Participant with a Transition Benefit Account may elect to receive the portion of his Accrued Benefit attributable to his Transition Benefit Account in the form of a single sum cash payment that is the Actuarial Equivalent of his entire vested Transition Benefit Account.

(b) Death Prior to Benefit Payment Date. In the event of the death of a Participant prior to his Benefit Payment Date, the Participant's election hereunder shall be void and of no effect.

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Section 10.04 Minimum Distribution Requirements. Notwithstanding anything in the Plan to the contrary, the form and timing of all distributions under the Plan shall be in accordance with Treasury regulations under section 401(a)(9) of the Code and regulations thereunder, including the incidental death benefit requirements of section 401(a)(9)(G) of the Code and regulations thereunder.

Section 10.05 Required Payment Date. Benefits payable by reason of a Participant's retirement (including deferred vested benefits) shall normally be paid as provided in applicable Sections of this Article and Article VIII, as applicable. Unless the Participant elects otherwise, retirement benefits shall commence not later than the 60th day after the latest of the close of the Plan Year in which (i) occurs the date on which the Participant attains his Normal Retirement Age, (ii) occurs the tenth anniversary of the year in which the Participant commenced participation in the Plan or (iii) the Participant has a Separation from Service. The failure of a Participant to apply for his benefit pursuant to Section 10.08 by the date prescribed in the preceding sentence shall be deemed an election to defer payment to a later date. Notwithstanding the foregoing, the Participant's Benefit Payment Date shall in no event be later than his Required Beginning Date.

Section 10.06 Accruals While Benefits Are In Pay Status.

(a) Annual Adjustment. In the event that a Participant is credited with a benefit accrual during and/or after the Plan Year in which the Participant attains Normal Retirement Age and after his Benefit Payment Date, the amount of pension payable to the Participant as determined as of his Benefit Payment Date shall be adjusted annually as of each January 1 following his Benefit Payment Date which is prior to the date the Participant ceases to accrue benefits under the Plan (or as of the date the Participant ceases to accrue benefits if before the next applicable January 1).

(b) Amount of Adjustment. Such annual adjustment shall include any increase (but not any decrease) in the Participant's Accrued Benefit, determined in accordance with Article VI, as a result of additional Interest Credits, Transition Benefit Credits and Compensation, (including, for any period that would not constitute Suspension Service under Section 10.13(b)(2), an Actuarial Equivalent adjustment to such increase to reflect payment commencing after the Participant's Normal Retirement Age) since the Participant's Benefit Payment Date or the last such annual adjustment, whichever applies. In addition, such annual adjustment shall be reduced (but not below zero) by the Actuarial Equivalent of any benefits paid to the Participant since his Benefit Payment Date during any period that would have constituted Suspension Service under Section 10.13(b)(2) had the Participant not reached his Required Beginning Date, to the extent not previously taken into account under this Section; provided, however, that the amount, if any, of the benefits paid to the Participant which exceeds the amount the Participant would have received if distribution had been made in the automatic form of benefits described in Section 10.02(a)(1) or (2), whichever applies, for such Participant shall be disregarded in determining the Actuarial Equivalent of such benefits for purposes of the reduction described in this sentence.

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(c) Form of Payment of Additional Accruals. In the event that the amount of pension payable to a Participant is adjusted pursuant to Section 10.06(a) and (b) hereof, any such additional amount shall be paid by increasing the amount due in the form of benefit as in effect for previous payments made or commencing as of the Participant's Benefit Payment Date.

Section 10.07 Distributed Contracts. The methods of benefit payout under any Contract distributed by the Trustee in payment of benefits hereunder shall be limited to the forms of distribution described in Article VIII and this Article X.

Section 10.08 Application for Benefits. Except as provided in Sections 8.05, 10.01, and 15.01(c), benefit payments shall commence when a properly written application for same is received by the Employee Benefits Committee. No payments shall be made for the period in which benefits would have been payable if the Participant, surviving spouse or other or Beneficiary or Alternate Payee had made timely application therefor; provided, however, that, if the Participant's Benefit Payment Date or, if the Participant has died, his Beneficiary's Benefit Payment Date under Article IX, has been delayed until after the Participant's Normal Retirement Date solely by reason of failure to make application, and not by reason of Suspension Service as described in Section 10.13(b)(2), the benefit payable (i) to the Participant on and after his Benefit Payment Date, or (ii) to the Participant's Beneficiary pursuant to Article IX on and after the Beneficiary's Benefit Payment Date (but not to any non-spouse Beneficiary), shall be equal to the Actuarial Equivalent of the benefit the Participant or the Spouse would have received had benefits commenced on the Participant's Normal Retirement Date, as determined to reflect the deferral of benefit commencement.

Section 10.09 Direct Rollovers.

(a) Effective January 1, 1993, in the event any payment or payments (excluding any amount not includible in gross income) to be made under the Plan to a Participant, a Beneficiary who is the surviving Spouse of a Participant, or an Alternate Payee who is the spouse of former spouse of a Participant, would constitute an "eligible rollover distribution," such individual may request that, in lieu of payment to the individual, all or part of such eligible rollover distribution be transferred directly from the Fund to the trustee or custodian of an "eligible retirement plan.

(b) Any such request shall be made in writing, in such form and subject to such procedures, requirements, and restrictions as may be prescribed by the Employee Benefits Committee for such purpose pursuant to Treasury regulations, at such time in advance of the date such payment would otherwise be made as may be required by the Employee Benefits Committee.

(c) For purposes of this Section 10.09, "eligible rollover distribution" shall mean a distribution from the Plan, excluding (i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) over the life (or life expectancy) of the individual, the joint lives (or joint life expectancies) of the individual and the individual's designated Beneficiary, or a specified period of ten (10) or more years, (ii) any distribution to the extent such distribution is required under

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section 401(a)(9) of the Code, and (iii) any distribution to the extent such distribution is not included in gross income.

(d) For purposes of this Section 10.09, "eligible retirement plan" shall mean (i) an individual retirement account described in section 408(a) of the Code, (ii) an individual retirement annuity described in section 408(b) of the Code (other than an endowment contract), (iii) an annuity plan described in section 403(a) of the Code, (iv) a qualified plan described under section 401(a) of the Code with a trust which is exempt from tax under section 501(a) of the Code, the terms of which permit the acceptance of rollover distributions; provided, however, that (iii) and (iv) shall not apply to a Beneficiary who is the surviving spouse of a Participant.

Section 10.10 Non-Duplication of Benefits. Except to the extent provided otherwise in Appendix C, the benefits due any Participant on account of his most recent period of employment shall not duplicate any benefits due the same Participant under this Plan on account of previous employment with a Participating Employer.

Section 10.11 Beneficiary Designation Right. Subject to the rights of Spouses to survivor benefit payments as described in this Article and in Article IX and any other restrictions on Beneficiary designations contained in those Articles, each Participant may designate or change the previous designation of the Beneficiary or Beneficiaries who shall receive benefits, if any, after his death. All Beneficiary designations shall be made by executing and filing with the Employee Benefits Committee a form prescribed by the Employee Benefits Committee and in no other manner. The last such designation received by the Employee Benefits Committee shall be controlling over any testamentary or other disposition. The Employee Benefits Committee shall decide what Beneficiaries have been validly designated and its conclusion shall be binding on all persons. In the event that the Participant is permitted to designate a Beneficiary and fails to do so, or in the event that the Participant is predeceased by all designated Beneficiaries, the Participant shall be deemed to have designated as his Beneficiary the Participant's Spouse or, if there is no Spouse, the Participant's estate.

Section 10.12 Form and Content of Spouse's Consent. A Spouse may consent to the designation of one or more Beneficiaries other than such Spouse provided that such consent shall be in writing, must consent to the specific alternate Beneficiary or Beneficiaries designated (or permit Beneficiary designations by the Participant without the Spouse's further consent), must acknowledge the effect of such consent, and must be witnessed by a notary public. Such Spouse's consent shall be irrevocable, unless expressly made revocable. The consent of a Spouse in accordance with this Section shall not be effective with respect to any subsequent Spouse of the Participant.

Section 10.13 Suspension of Benefit Rules.

(a) Reemployment After Benefit Commencement. During any period of reemployment, any benefits that had commenced to be paid to the Participant under the Plan prior to his reemployment shall continue to be paid under the Plan to the Participant in accordance with the Participant's prior election and the terms of the Plan; provided, however, that any benefits that have already been suspended under the terms of

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the applicable plan in effect as of December 31, 2000 shall continue to be suspended under such terms.

(b) Suspensions after Normal Retirement Date. No benefit shall be paid to any Participant under the Plan during any period of employment after his Normal Retirement Date with respect to any month in which the Participant has any Suspension Service, as described in Section 10.13(b)(2) hereof in accordance with the following rules:

(1) Commencement of Benefits. Subject to such notice requirements as may be prescribed by the Employee Benefits Committee, benefits suspended under this subsection (b) shall commence no later than the earliest of (i) the first day of the month next following the Participant's Separation from Service or (ii) the first day of the month following the month in which he first fails to have Suspension Service as described in Section 10.13(b)(2). The benefit payments shall be calculated to include years of Transition Benefit Credits (if any) credited during such period of Suspension Service, and no actuarial or other adjustment shall be made to the Participant's benefit so as to reflect payments suspended with respect to those months during which such Participant was credited with Suspension Service. In addition, such payment shall be offset by (i) any benefit paid with respect to a month in which the Participant had Suspension Service where the amount so paid has not been returned or repaid to the Fund by the Participant as described in Section 10.13(b)(3) and (ii) the Actuarial Equivalent of the benefits paid prior to the Participant's Normal Retirement Date.

(2) Suspension Service. A Participant shall be deemed to have Suspension Service after his Normal Retirement Date, but prior to his Required Beginning Date, in any month in which he receives payment for any Hours of Service performed on each of eight (8) or more days (or separate shifts).

(3) Offset. To the extent that the Plan has paid benefits to a Participant with respect to any month in which he has Suspension Service as described in Section 10.13(b)(2) which amounts have not previously been recovered by the Plan, the Plan shall defer commencement of benefits under Section 10.13(b)(1) hereof for a period of two (2) calendar months, or until the amounts paid with respect to months in which the Participant has Suspension Service have been recovered (without interest), whichever is the first to occur. If, at the end of the said two-month period there remains an unrecovered amount which was paid to the Participant during or with respect to a period of Suspension Service, such amount shall be recovered (without interest) by the Plan by reducing each benefit payment due the Participant or the Participant's Spouse or other Beneficiary after benefit commencement by the lesser of:

(A) the excess of the amount of the benefits paid to the Participant with respect to months in which the Participant had Suspension Service over the amount of such benefits which have been restored to, or recovered by, the Plan, or

(B) 25% of the Participant's monthly benefit payments.

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(4) Notifications. No payment shall be withheld or suspended by the Plan pursuant to this subsection (b) until the Plan has notified the Participant by personal delivery or first class mail of the fact that such withholding or suspension is occurring or will occur. Such notification will contain a detailed description of the specific reasons why benefit payments are being suspended or withheld, a general description of the Plan provisions relating to the suspension of benefit payments, a copy of such provisions, and a statement that the applicable Department of Labor regulations governing suspensions of benefits may be found at Title 29, Code of Federal Regulations, ss.2530.203-3. The notification shall also advise the Participant to whom directed of the Plan's procedure for affording a review of the suspension of benefits. In the event any payment is withheld or suspended prior to the provision of notice as described in thins Section, the Participant's benefit payable thereunder shall be actuarially increased, using the Plan's factors for determining Actuarial Equivalent benefits, to compensate for such withholding or suspension.

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ARTICLE XI

PROVISIONS RELATING TO TOP-HEAVY PLANS

Section 11.01 Definitions. For purposes of this Article XI, the following terms shall have the following meanings:

(a) "Aggregation Group" shall mean the group of qualified plans sponsored by a Participating Employer or by an Affiliated Company formed by including in such group (i) all such plans in which a Key Employee participates in the Plan Year containing the Determination Date, or any of the four (4) preceding Plan Years, including any frozen or terminated plan that was maintained within the five-year period ending on the Determination Date, (ii) all such plans which enable any plan described in clause (i) to meet the requirements of either section 401(a)(4) or section 410 of the Code, and (iii) such other qualified plans sponsored by a Participating Employer or an Affiliated Company as the Company elects to include in such group, as long as the group, including those plans electively included, continues to meet the requirements of sections 401(a)(4) and 410 of the Code.

(b) "Determination Date" shall mean the last day of the preceding Plan Year or, in the case of the first Plan Year, the last day of such Plan Year.

(c) "Key Employee" shall mean a person employed or formerly employed by a Participating Employer or an Affiliated Company who, during the Plan Year or during any of the preceding four (4) Plan Years, was any of the following:

(1) An officer of a Participating Employer having an annual Compensation of more than 50% of the amount in effect under section 415(b)(1)(A) of the Code for the Plan Year. The number of persons to be considered officers in any Plan Year and the identity of the persons to be so considered shall be determined pursuant to the provisions of section 416(i) of the Code and the regulations published thereunder.

(2) One of the 10 Employees who owns (or is considered as owning under the attribution rules set forth at section 318 of the Code and the regulations thereunder) the largest interest in a Participating Employer or an Affiliated Company, provided that no person shall be considered a Key Employee under this paragraph (2) if his annual Compensation is not greater than the limitation in effect for such Plan Year under section 415(c)(1)(A) of the Code, nor shall any person be considered a Key Employee under this paragraph (2) if his ownership interest in the Plan Year being tested and the preceding four (4) Plan Years was at all times less than 1/2% in value of any of the entities forming the Participating Employers and the Affiliated Companies.

(3) A five-percent (5%) owner of a Participating Employer or an Affiliated Company within the meaning of section 416(i) of the Code.

(4) A person who is both an Employee whose annual Compensation exceeds $150,000 and who is a one-percent (1%) owner of a Participating Employer or an Affiliated Company within the meaning of section 416(i) of the Code.

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The beneficiary of any deceased Participant who was a Key Employee shall be considered a Key Employee for the same period as the deceased Participant would have been so considered.

(d) "Key Employee Ratio" shall mean the ratio (expressed as a percentage) for any Plan Year, calculated as of the Determination Date with respect to such Plan Year, determined by dividing the amount described in paragraph (1) hereof by the amount described in paragraph (2) hereof, after deduction from both such amounts the amount described in paragraph (3) hereof.

(1) The amount described in this paragraph (1) is the sum of (i) the aggregate of the present value of all accrued benefits of Key Employees under all qualified defined benefit plans included in the Aggregation Group, (ii) the aggregate of the balances in all of the accounts standing to the credit of Key Employees under all qualified defined contribution plans included in the Aggregation Group, and (iii) the aggregate amount distributed from all plans in such Aggregation Group to or on behalf of any Key Employee during the period of five (5) Plan Years ending on the Determination Date.

(2) The amount described in this paragraph (2) is the sum of (i) the aggregate of the present value of all accrued benefits of all Participants under all qualified defined benefit plans included in the Aggregation Group, (ii) the aggregate of the balances in all of the accounts standing to the credit of all Participants under all qualified defined contribution plans included in the Aggregation Group, and (iii) the aggregate amount distributed from all plans in such Aggregation Group to or on behalf of any Participant during the period of five (5) Plan Years ending on the Determination Date.

(3) The amount described in this paragraph (3) is the sum of (i) all rollover contributions (or similar transfers) to plans included in the Aggregation Group initiated by an Employee and made from a plan sponsored by an employer which is not a Participating Employer or Affiliated Company, (ii) with respect to Plan Years beginning after December 31, 1984, any amount that would have been included under paragraph (1) or (2) hereof with respect to any person who has not performed services for any Participating Employer at any time during the five-year period ending on the Determination Date, and (iii) any amount that is included in paragraph (2) hereof for, on behalf of, or on account of, a person who is a Non-Key Employee as to the Plan Year of reference but who was a Key Employee as to any earlier Plan Year.

The present value of accrued benefits under any defined benefit plan shall be determined on the basis of the assumptions described in Appendix A or Appendix C, as applicable, and, effective for Plan Years beginning after December 31, 1986, under the method used for accrual purposes for all plans maintained by all Participating Employers and Affiliated Companies if a single method is used by all such plans, or otherwise, the slowest accrual method permitted under section 411(b)(1)(C) of the Code.

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(e) "Non-Key Employee" shall mean any Employee or former Employee who is not a Key Employee as to that Plan Year, or a beneficiary of a deceased Participant who was a Non-Key Employee.

(f) "Testing Period Average Compensation" shall mean the average of the Participant's Compensation over the testing period consisting of the five (5) consecutive Plan Years during which the Participant was in the employ of a Participating Employer (whether or not such Plan Years were years during any part of which he was an Active Participant) yielding the highest such average, omitting from the Plan Years considered (i) Plan Years within which the Participant was not credited with a year of Vesting Service, (ii) Plan Years beginning before January 1, 1984, and (iii) Plan Years beginning after the close of the last Plan Year in which the Plan was Top-Heavy. If there be fewer than five (5) consecutive Plan Years in the testing period as described, the testing period shall be considered to consist of all such years as would be included if the "consecutive" requirement did not apply (to a maximum of the lesser of (i) all such years, if fewer than five (5), or (ii) five (5) such years).

Section 11.02 Determination of Top-Heavy Status. The Plan shall be deemed "top-heavy" as to any Plan Year if, as of the Determination Date with respect to such Plan Year, either of the following conditions are met:

(a) the Plan is not part of an Aggregation Group and the Key Employee Ratio, determined by substituting the "Plan" for the "Aggregation Group" each place it appears in Section 11.01(d), exceeds 60%, or

(b) the Plan is part of an Aggregation Group, and the Key Employee Ratio of such Aggregation Group exceeds 60%.

(c) Adjustment in Benefit Limitations. Effective for Limitation Years beginning prior to January 1, 2000, if the Plan is "top-heavy" within the meaning of Section 11.02, the dollar limitations in the denominator of the defined benefit fraction and defined contribution fraction as defined in section 415(e) of the Code shall be multiplied by 100% rather than 125%.

Section 11.03 Top-Heavy Plan Minima.

(a) General Rule. If the Plan is "top-heavy" in any Plan Year, the minimum Accrued Benefit under the Plan for any Active Participant who is a Non-Key Employee (other than a Participant who was a Key Employee as to any earlier Plan Year) and who has completed 1,000 Hours of Service during such Plan Year (regardless of whether his employment terminates during such Plan Year) shall be the lesser of:

(1) 2% of the Participant's Testing Period Average Compensation, multiplied by the number of Plan Years during which the Participant completed at least 1,000 Hours of Service (excluding Plan Years beginning prior to January 1, 1984, Plan Years in which the Plan is not "top-heavy" and Plan Years which would be disregarded by reason of a Break in Service), or

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(2) 20% of the Participant's Testing Period Average Compensation.

(b) Nonduplication Exception. The provisions of Section 11.03(a) shall not apply with respect to a Participant in a particular Plan Year if, with respect to that Plan Year:

(1) such Participant was an active participant in a qualified defined benefit pension plan sponsored by a Participating Employer or by an Affiliated Company under which plan the Participant's accrued benefit is not less than the benefit described in Section 11.03(a), treating such other defined benefit pension plan as a "top-heavy" plan and treating all such defined benefit pension plans constituting an Aggregation Group as a single plan;

(2) such Participant was an active participant in a qualified defined contribution plan sponsored by a Participating Employer or by an Affiliated Company under which plan the amount of the employer contribution (including reallocable forfeitures) allocable to the account of the Participant for the accrual computation period of such plan ending with or within the Plan Year, (exclusive of amounts by which the Participant's compensation was reduced pursuant to a salary reduction agreement or similar arrangement), is not less than 5% of the Participant's Compensation; or

(3) the exception provided under this Section 11.03(b) shall apply on a prorated basis where the Participant also participates in another qualified plan of a Participating Employer or of an Affiliated Company, but where such other plan only partially satisfies the requirements of paragraphs (1) or (2) hereof.

Section 11.04 No Suspension of Benefits. Notwithstanding any other provision of the Plan, the payment of a Participant's benefits shall not be suspended during the Participant's reemployment during any period in which the Plan is "top-heavy."

Section 11.05 Multiple Employer Plan. The provisions of this Article shall be applied separately with respect to each "controlled group" and benefits with respect to Employees of such "controlled group" in accordance with Treasury Regulations section 1.416-1, G-2. For purposes of this Section, "controlled group" shall mean a group of entities consisting of all Participating Employers that are Affiliated Companies with respect to each other and all other entities that are Affiliated Companies with respect to such Participating Employers, determined in accordance with the aggregation rules described in sections 414(b), (c), (m) and (o) of the Code.

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ARTICLE XII

CONTRIBUTIONS

Section 12.01 Employer Contributions. Subject to the provisions of Section 12.05, the Participating Employers shall contribute such amounts as are necessary to satisfy the minimum funding standards required pursuant to ERISA and section 412 of the Code, as from time to time amended. No contributions shall be required for any year if the Participating Employers applied for and receive a waiver of the funding standards for that year. In the event that a partial waiver is granted, no contribution shall be required of the Participating Employers in excess of the amount stipulated in such partial waiver. Participating Employers shall have the right, but not the obligation, to contribute such additional amounts as they, in their sole discretion, deem desirable in any year. All Participating Employer contributions shall be paid to the Trustee(s). All forfeitures arising under the Plan shall be applied to reduce Participating Employer contributions. Each contribution made by a Participating Employer pursuant to the provisions of this Plan is made expressly contingent upon the deductibility thereof for federal income tax purposes for the fiscal year with respect to which such contribution is made.

Section 12.02 Participant Contributions. No contributions shall be required or permitted of Participants under the Plan.

Section 12.03 Expenses of Administration. All expenses of administration of this Plan shall be paid from the Fund unless a Participating Employer, in its sole discretion, determines to pay them directly.

Section 12.04 Contracts. If Contracts are purchased for the funding of death or retirement benefits, such Contracts shall be purchased from such legal reserve life insurance companies as may be approved by the Employee Benefits Committee. A Trustee shall be the sole owner and beneficiary of each such Contract unless and until such time as the Contract is distributed to a Participant, Spouse or other Beneficiary in satisfaction of liabilities to such party under the Plan or is transferred to the Participant, Spouse, other Beneficiary or Alternate Payee for its fair market value. All dividends payable with respect to any such Contract prior to the distribution of that Contract to a Participant, Spouse, other Beneficiary or Alternate Payee shall be applied to reduce the Participating Employers' contribution to the Plan. The Trustee is empowered to borrow against the cash surrender values or loan values of any Contracts held by it for the purpose of paying premiums on such Contracts or for the general purposes of the Fund, but if such borrowing occurs, it shall be done proportionately among the several Contracts so held and repayment of the borrowed amounts by the Trustee shall be prorated to avoid discrimination.

Section 12.05 Discontinuance. Notwithstanding any other provision of this Article XII or of the Plan, the Company shall have the right to terminate the Plan in accordance with the provisions of Article XVII, and no provision of this Article XII shall be deemed a modification or abridgment of rights reserved to or by the Company elsewhere in the Plan.

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Section 12.06 Sole Source of Benefits. The Fund shall be the sole source for the provision of benefits under the Plan. Neither a Participating Employer nor any other person or entity shall be liable therefor.

Section 12.07 Commingling of Assets. All assets of the Plan may be commingled for investment purposes with the assets of any other qualified plan of a Participating Employer or an Affiliated Company and may be held as a single fund under one or more Funding Vehicles, provided that the value of each plan's assets can be determined at any time. The value of the assets held in such single fund shall be determined by the Trustee(s) and the assets allocable to each such plan shall be determined by the enrolled actuary appointed by the Employee Benefits Committee. The enrolled actuary shall communicate such determination to the Participating Employers, the Named Fiduciaries and the Trustee(s). The assets allocable to each such plan shall in no event be used for the benefit of participants in such other plans.

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ARTICLE XIII

EMPLOYEE BENEFITS COMMITTEE

Section 13.01 Appointment and Tenure. The Plan shall be administered by the "Employee Benefits Committee" or such other committee or individual appointed by the Chairperson of the Employee Benefits Committee. The Chairperson of the Employee Benefits Committee shall be appointed by the Human Resources Committee of the Company. The Chairperson of the Employee Benefits Committee shall have the authority to determine the number of voting members of the Employee Benefits Committee and appoint such members from time to time. The Chairperson of the Employee Benefits Committee shall also have the authority to appoint, as appropriate, counsel and secretary to the Employee Benefits Committee. Any Employee Benefits Committee member may resign by delivering his written resignation to the Chairperson at least 30 days in advance of such resignation or such shorter time agreed thereto by the Chairperson and the member.

Section 13.02 Meetings; Majority Rule. Any and all acts of the Employee Benefits Committee taken at a meeting shall be by a majority of its members with minutes being recorded for each meeting. Such minutes shall be made available to any member of the Employee Benefits Committee upon request. The Employee Benefits Committee may also act by unanimous consent in writing without the formality of convening a meeting. Either the Chairperson of the Employee Benefits Committee or secretary may execute any certificate or other written direction on behalf of the Employee Benefits Committee. A member of the Employee Benefits Committee who is a Participant shall not vote on any question relating specifically to himself. In the event that the Employee Benefits Committee's vote is equally divided on a claim for benefits, such vote will be treated as a vote by the Employee Benefits Committee in favor of the claimant.

Section 13.03 Delegation. The Employee Benefits Committee may, by unanimous consent, delegate the specific authority and responsibility for those duties listed in Section 13.04 and other purely ministerial duties to one or more of its members. The member or members so designated shall be solely liable, jointly and severally, for their acts or omissions with respect to such delegated authority and responsibilities. Members not so designated, except as otherwise provided by applicable provisions of ERISA, shall be relieved from liability for any act or omission resulting from such delegation.

Section 13.04 Authority and Responsibility of the Employee Benefits Committee. The Employee Benefits Committee shall be the Plan "administrator" as such term is defined in section 3(16) of ERISA, and as such shall have the following duties and responsibilities:

(a) to adopt and enforce such rules and regulations and prescribe the use of such forms as may be necessary to carry out the provisions of the Plan;

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(b) to maintain and preserve records relating to Participants, Vested Participants, and their Beneficiaries and Alternate Payees;

(c) to prepare and furnish to Participants, Beneficiaries and Alternate Payees all information and notices required under federal law or the provisions of this Plan;

(d) to prepare and file or publish with the Secretary of Labor, the Secretary of the Treasury, their delegates and all other appropriate government officials all reports and other information required under law to be so filed or published;

(e) to provide directions to the Trustee(s) (and to the Plan's actuary when appropriate) with respect to the purchase of life insurance or Contracts, methods of benefit payment, valuations at dates other than annual valuation dates and on all other matters where called for in the Plan or requested by the Trustee(s);

(f) to determine all questions of Employees' eligibility for and the amount of any Plan benefits and of the status of rights of Participants, Beneficiaries and Alternate Payees, to make factual determinations, to construe and interpret the provisions of the Plan, to correct defects, to resolve ambiguities and inconsistencies therein and to supply omissions thereto;

(g) to compute and certify to the Trustee the amount and manner of payment of benefits to which Participants, surviving Spouses, other Beneficiaries and Alternate Payees may become entitled;

(h) to engage assistants and professional advisers;

(i) to arrange for bonding, if required by law, or as required by general policies established by the Board;

(j) to review benefit claim appeals, except to the extent another committee or third-party administrator has been appointed by the Chairperson to serve as the appeals fiduciary to review and decide such benefit claim appeals;

(k) to provide procedures for determination of claims for benefits and to establish rules, not inconsistent with the provisions or purposes of the Plan, as it may deem necessary or desirable for the proper administration of the Plan or transaction of its business;

(l) to retain records on elections and waivers by Participants, their surviving Spouses and their Beneficiaries and Alternate Payees;

(m) to determine whether any domestic relations order constitutes a QDRO and to take such action as the Employee Benefits Committee deems appropriate in light of such domestic relations order;

(n) to retain records on elections and waivers by Participants, their spouses and their Beneficiaries, and Alternate Payees;

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(o) to select an independent qualified public accountant to examine a Trustee's accounts and render an opinion;

(p) to appoint an Investment Manager who is other than the Trustee, which Investment Manager may be a bank or an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. Such Investment Manager, if appointed, shall have sole discretion in the investment of Plan assets, subject to the funding policy. The Employee Benefits Committee shall review at regular intervals no less frequently than annually, the performance of such Investment Manager and shall re-evaluate the appointment of such Investment Manager. After the Employee Benefits Committee has appointed an Investment Manager and has received a written notice of acceptance of his responsibility, the fiduciary responsibility with respect to investment of Plan assets shall be considered as the responsibility of the Investment Manager;

(q) to determine and communicate in writing to the fiduciary responsible for investment of Plan assets the funding policy for the Plan. The funding policy shall set forth the Plan's short-range and long-range financial needs, so that said fiduciary may coordinate the investment of Plan assets with the Plan's financial needs all as further set forth herein;

(r) to prepare for review and action by the Board, and implement on the instruction of the Board, all other amendments, modifications and termination of the Plan;

(s) to prepare and deliver to the Board such information and such reports as are requested by the Board or as, in the judgement of the Employee Benefits Committee, should be brought to the attention of the Board;

(t) to perform such additional functions as may be specifically assigned to it or delegated to it by the Board or the Human Resources Committee; and

(u) to adopt routine amendments to the Plan as provided under Section 16.01(b); and

(v) to approve participation in the Plan of additional Participating Employers.

Any authority delegated both to the Employee Benefits Committee under this Section 13.04 and to the Company under Section 14.03 may be exercised by either such party independently of the other.

Section 13.05 Reporting and Disclosure. The Employee Benefits Committee shall keep all individual and group records relating to Participants, Beneficiaries and Alternate Payees, and all other records necessary for the proper operation of the Plan. Such records shall be made available to the Participating Employers and to each Participant, Beneficiary and Alternate Payee for examination during normal business hours except that a Participant, Beneficiary or Alternate Payee shall examine only such

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records as pertain exclusively to the examining Participant, Beneficiary or Alternate Payee and those records and documents relating to all Participants generally. The Employee Benefits Committee shall prepare and shall file as required by law or regulation all reports, forms, documents and other items required by ERISA, the Code, and every other relevant statute, each as amended, and all regulations thereunder. This provision shall not be construed as imposing upon the Employee Benefits Committee the responsibility or authority for the preparation, preservation, publication or filing of any document required to be prepared, preserved or filed by the Trustee or by any other Named Fiduciary to whom such responsibilities are delegated by law or by this Plan.

Section 13.06 Construction of the Plan. The Employee Benefits Committee shall take such steps as are considered necessary and appropriate to remedy any inequity that results from incorrect information received or communicated in good faith or as the consequence of an administrative error. The Employee Benefits Committee shall have full discretionary power and authority to interpret the Plan, to make benefit eligibility determinations, to make factual determinations and to determine all questions arising in the administration, interpretation and application of the Plan. The Employee Benefits Committee shall correct any defect, reconcile any inconsistency or ambiguity, or supply any omission with respect to the Plan. All such corrections, reconciliations, interpretations and completions of Plan provisions shall be final, binding and conclusive upon the parties, including the Participating Employers, the Employees, their families, dependents, Beneficiaries and any Alternate Payees.

Section 13.07 Compensation of the Employee Benefits Committee. The Employee Benefits Committee shall serve without compensation for its services as such, but all reasonable expenses of the Employee Benefits Committee shall be proper charges to the Fund and shall be paid therefrom unless a Participating Employer, in its sole discretion, determines to pay them directly.

Section 13.08 Domestic Relations Orders.

(a) In the event that the Actuarial Equivalent single sum value of the benefit payable to an Alternate Payee under a QDRO does not exceed $5,000 ($3,500 prior to January 1, 1998), such amount shall be paid to an Alternate Payee in a single sum as soon as practicable following the Employee Benefits Committee's receipt of the order and verification of its status as a QDRO.

(b) Except as provided in this subsection (b), benefits payable to an Alternate Payee shall not continue beyond the lifetime of the Alternate Payee. In particular, no Alternate Payee shall have the right with respect to any benefit payable by reason of a QDRO to (i) designate a beneficiary with respect to amounts payable under the Plan, except in the case of a QDRO providing a benefit to the Alternate Payee of a portion of each payment made to the Participant from the Plan, as, when and if payable, but only to the extent that the beneficiary legally could be an alternate payee (as defined in section 414(p) of the Code) under a QDRO with respect to the Participant's benefit, (ii) provide survivorship benefits to a spouse or dependent of such Alternate Payee or to any other person, spouse, or dependent, or (iii) transfer rights under the QDRO by will or by state law of intestacy.

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(c) None of the payments, benefits or rights of any Alternate Payee shall be subject to any claim of any creditor, and, in particular, to the fullest extent permitted by law, all such payments, benefits and rights shall be free from attachment, garnishment, trustee's process, or any other legal or equitable process available to any creditor of such Alternate Payee. No Alternate Payee shall have the right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments which he may expect to receive, contingently or otherwise, under the Plan.

(d) Alternate Payees shall not have any right to exercise any election, privilege, option or direction rights of the Participant under the Plan except as specifically provided in the QDRO or receive communications with respect to the Plan except as specifically provided by law, regulation or the QDRO.

(e) Each Alternate Payee shall advise the Employee Benefit Committee in writing of each change of his name, address or marital status, and of each change in the provisions of the QDRO or of any circumstances set forth therein which may be material to the Alternate Payee's entitlement to benefits thereunder or the amount thereof. Until such written notice has been provided to the Employee Benefit Committee, the Employee Benefits Committee shall be (i) fully protected in not complying with, and in conducting the affairs of the Plan in a manner inconsistent with the information set froth in the notice, and (ii) required to act with respect to such notice prospectively only, and then only to the extent provided for in the QDRO. The Employee Benefits Committee shall not be required to modify or reverse any payment, transaction or application of funds occurring before the receipt of any notice that would have affected such payment, transaction or application of funds, nor shall the Employee Benefits Committee or any other party be liable for any such payment, transaction or application of funds.

(f) Except as specifically provided for in the QDRO, an Alternate Payee shall have no right to interfere with the exercise by the Participant or by any beneficiary of their respective rights, privileges and obligations under the Plan.

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ARTICLE XIV

ALLOCATION AND DELEGATION OF AUTHORITY

Section 14.01 Authority and Responsibilities of the Employee Benefits Committee. The Employee Benefits Committee shall have the authority and responsibilities imposed by Article XIII hereof. With respect to the said authority and responsibility, the Employee Benefits Committee shall be a "Named Fiduciary," and as such, shall have no authority and responsibility other than as granted in the Plan, or as imposed by law.

Section 14.02 Authority and Responsibilities of a Trustee. A Trustee shall be the "Named Fiduciary" with respect to investment of the portion of the Fund assets for which it is responsible and shall have the powers and duties set forth in the Trust Agreement. The Trustee shall keep complete and accurate accounts of all of the assets of, and the transactions involving, the Fund. All such accounts shall be open to inspection by the Employee Benefits Committee during normal business hours.

Section 14.03 Authority and Responsibilities of the Company. The Company, acting through its Board, shall have certain powers under the Plan, to be executed or undertaken in a non-fiduciary capacity, including:

(a) to appoint the Trustee(s);

(b) to amend or terminate the Trust Agreement(s) and settle the account(s) of the Trustee(s) and to remove a Trustee and upon such removal or upon the resignation of the Trustee, to appoint a successor;

(c) to appoint an Investment Manager(s) (or to refrain from such appointment), and to terminate such appointment (including appointments made by the Employee Benefits Committee) and upon such termination or upon resignation of the Investment Manager(s), to appoint a successor, to amend the separate agreement(s), which shall be entered into with the Investment Manager(s) and either increase or decrease the portion of the Fund which shall be managed by the Investment Manager(s) (including those appointed by the Employee Benefits Committee);

(d) to transfer a portion of the Plan assets held by one Trustee to another Trustee; and

(e) to select an independent qualified public accountant to examine a Trustee's accounts and records and render an opinion.

Any authority delegated both to the Company under this Section 14.03 and the Employee Benefits Committee under Section 13.04 may be exercised by either such party independently of the other.

Section 14.04 Limitations on Obligations of Named Fiduciaries. No Named Fiduciary shall have authority or responsibility to deal with matters other than as delegated to it under this Plan, under the Trust Agreement, or by operation of law.

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Except as provided by section 405 of ERISA, a Named Fiduciary shall not in any event be liable for breach of fiduciary responsibility or obligation by another fiduciary (including Named Fiduciaries) if the responsibility or authority of the act or omission deemed to be a breach was not within the scope of the said Named Fiduciary's authority or delegated responsibility. The determination of any Named Fiduciary as to any matter involving its responsibilities hereunder shall be conclusive and binding on all persons.

Section 14.05 Designation and Delegation. Each Named Fiduciary may designate other persons to carry out such of its responsibilities hereunder for the operation and administration of the Plan as it deems advisable and delegate to the persons so designated such of its powers as it deems necessary to carry out such responsibilities. Such designation and delegation shall be subject to such terms and conditions as the Named Fiduciary deems necessary or proper. Any action or determination made or taken in carrying out responsibilities hereunder by the persons so designated by the Named Fiduciary shall have the same force and effect for all purposes if such action or determination had been made or taken by such Named Fiduciary.

Section 14.06 Reports to Board. As deemed necessary or proper, but in any event at least once during each Plan Year, each Named Fiduciary shall report to the Board on the operation and administration of the Plan.

Section 14.07 Engagement of Assistants and Advisers. Any Named Fiduciary shall have the right to hire, at the expense of the Fund, such professional assistants and consultants as it, in its sole discretion, deems necessary or advisable. The Named Fiduciaries shall be entitled to rely, and shall be fully protected in any action or determination or omission taken or made or omitted in good faith in so relying, upon any opinions, reports or other advice which is furnished by counsel or other specialist engaged for that purpose or upon any valuation certificate or report furnished by a Trustee.

Section 14.08 Payment of Expenses. The expenses incurred by the Named Fiduciaries in connection with the operation of the Plan, including, but not limited to, the expenses incurred by reason of the engagement of professional assistants and consultants, shall be expenses of the Plan and shall be payable from the Fund at the direction of the Employee Benefits Committee. The Participating Employers shall have the option, but not the obligation, to pay any such expenses, in whole or in part, and by so doing, to relieve the Fund from the obligation of bearing such expenses. Payment of any such expenses by the Participating Employers on any occasion shall not bind the Participating Employers to thereafter pay any similar expenses.

Section 14.09 Bonding. The Employee Benefits Committee shall arrange for such bonding as is required by law, but no bonding in excess of the amount required by law shall be considered required by the Plan.

Section 14.10 Indemnification. Each person, other than a Trustee, who is a Named Fiduciary, or who is a member of a committee or board comprising a Named Fiduciary, shall be indemnified by the Company against costs, expenses and liabilities (other than amounts paid in settlement to which the Company do not consent) reasonably

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incurred by him in connection with any action to which he may be a party by reason of his service as a Named Fiduciary except in relation to matters as to which he shall be adjudged in such action to be personally guilty of negligence, willful misconduct or lack of good faith in the performance of his duties. The foregoing right to indemnification shall be in addition to such other rights as the person may enjoy as a matter of law or by reason of insurance coverage of any kind, but shall not extend to costs, expenses and/or liabilities otherwise covered by insurance or that would be so covered by any insurance then in force if such insurance contained a waiver of subrogation. Rights granted hereunder shall be in addition to and not in lieu of any rights to indemnification to which the person may be entitled pursuant to the bylaws of the Company. Service as a Named Fiduciary shall be deemed in partial fulfillment of the person's function as an employee, officer and/or director of a Participating Employer, if he serves in that capacity as well as in the role of Named Fiduciary.

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ARTICLE XV

BENEFIT APPLICATIONS AND CLAIMS PROCEDURES

Section 15.01 Application for Benefits.

(a) Each Participant, surviving Spouse (in the case of a benefit described in Section 9.02), Beneficiary or Alternate Payee believing himself or herself eligible for benefits under the Plan shall apply for such benefits by completing and filing with the Employee Benefits Committee an application for benefits on a form supplied by such Committee. Before the date on which benefit payments commence, each such application must be supported by such information and data as the Employee Benefits Committee deems relevant and appropriate. Evidence of age, marital status (and, in the appropriate instances, health, death or disability), and location of residence shall be required of all applicants for benefits.

(b) In the event that a Participant, a surviving Spouse, or Alternate Payee fails to apply to the Employee Benefits Committee by the Participant's Normal Retirement Age or the date of the Participant's Separation from Service, if later, or a Beneficiary fails to apply within six months after the Participant's death, the Employee Benefits Committee shall make diligent efforts to locate such individual and obtain such application. A Plan benefit shall be deemed forfeited in the event that the Employee Benefits Committee is unable to locate the Participant, surviving Spouse, or other Beneficiary, or Alternate Payee to whom payment is due; provided, however, that such benefit shall be reinstated if a claim is later made by a party to whom the benefit is properly payable. No payments shall be made for the period in which benefits would have been payable if the individual had made timely application therefor.

(c) In the event (i) the Participant, surviving Spouse, or Alternate Payee fails to make application by the end of the calendar year in which the date described in Section 15.01(b) occurred, or (ii) the Beneficiary fails to make application by December 31 of the year following the year in which the Participant's death occurs, subject to Section 18.11 of the Plan, the Employee Benefits Committee may commence distribution as of such date without such application.

Section 15.02 Appeals of Denied Claims for Benefits. In the event that any claim for benefits is denied in whole or in part, the Participant, Beneficiary or Alternate Payee whose claim has been so denied shall be notified of such denial in writing by the claims fiduciary designated by the Chairperson of the Employee Benefits Committee. The notice advising of the denial shall specify the reason or reasons for denial, make specific reference to pertinent Plan provisions, describe any additional material or information necessary for the claimant to perfect the claim (explaining why such material or information is needed), and shall advise the Participant, Beneficiary or Alternate Payee, as the case may be, of the procedure for the appeal of such denial. All appeals shall be made by the following procedure:

(a) The Participant, Beneficiary or Alternate Payee whose claim has been denied shall file with the appeals fiduciary designated by the Chairperson of the

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Employee Benefits Committee a notice of desire to appeal the denial. Such notice shall be filed within sixty (60) days of notification by the claims fiduciary of claim denial, shall be made in writing, and shall set forth all of the facts upon which the appeal is based. Appeals not timely filed shall be barred. Notwithstanding the foregoing, if within 90 days of filing a claim for benefits under the Plan, the Participant, Beneficiary or Alternate Payee neither receives a notice of denial of a claim or a notice that additional time is required to review the claim, such individual may assume that the claim has been denied and may file with the appeals fiduciary a notice of desire to appeal the denial.

(b) The appeals fiduciary shall consider the merits of the claimant's written presentations, the merits of any facts or evidence in support of the denial of benefits, and such other facts and circumstances as the appeals fiduciary shall deem relevant.

(c) The appeals fiduciary shall ordinarily render a determination upon the appealed claim within sixty (60) days after its receipt which determination shall be accompanied by a written statement as to the reasons therefor. However, in special circumstances the appeals fiduciary may extend the response period for up to an additional sixty (60) days, in which event it shall notify the claimant in writing prior to commencement of the extension. The determination so rendered shall be binding upon all parties.

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ARTICLE XVI

AMENDMENT OF PLAN

Section 16.01 Amendment.

(a) The provisions of the Plan may be amended at any time and from time to time by the Board, provided, however, that:

(1) No amendment shall increase the duties or liabilities of the Employee Benefits Committee or a Trustee without the consent of that party;

(2) No amendment shall decrease the vested percentage of any Participant's Accrued Benefit, nor result in the elimination or reduction of a benefit "protected" under section 411(d)(6) of the Code, unless otherwise permitted or required by law;

(3) No amendment shall provide for the use of funds or assets held to provide benefits under the Plan other than for the benefit of Participants and their Beneficiaries and Alternate Payees or to meet the administrative expenses of the Plan, except as may be specifically authorized by statute or regulation.

Each amendment shall be approved by resolution of the Board; provided, however, that no amendment shall cause the Plan to fail to satisfy the requirements of section 401(a) of the Code when all benefits provided by all Participating Employers which are required to be aggregated for such purposes are taken into account.

(b) The provisions of the Plan may be amended at any time and from time to time by the Employee Benefits Committee, provided, however, that:

(1) such an amendment would not result in a material increase in the currently estimated cost of maintaining the Plan; and

(2) such amendment is routine in nature.

Section 16.02 Amendments to the Vesting Schedule.

(a) If the vesting schedule under this Plan is amended, each Active Participant who has completed at least three (3) years of Vesting Service prior to the end of the election period specified in this Section 16.02 may elect, during such election period, to have the vested percentage of his Accrued Benefit determined without regard to such amendment.

(b) For the purposes of this Section 16.02, the election period shall begin as of the date on which the amendment changing the vesting schedule is adopted, and shall end on the latest of the following dates:

(1) the date occurring 60 days after the Plan amendment is adopted; or

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(2) the date which is 60 days after the day on which the Plan amendment becomes effective; or

(3) the date which is 60 days after the day the Participant is issued written notice of the Plan amendment by the Employee Benefits Committee; or

(4) such later date as may be specified by the Employee Benefits Committee.

The election provided for in this Section 16.02 shall be made in writing and shall be irrevocable when made.

Section 16.03 Reversion. Subject to the provisions of this Section 16.03, the assets of the Plan shall be applied exclusively for the purposes of providing benefits to Participants and Beneficiaries under the Plan and for defraying expenses incurred in the administration of the Plan and its corresponding trust or other funding vehicle. No provision of the Plan nor any amendment shall cause any of the assets of the Fund to revert to the Participating Employers, except that, if, after the Plan is terminated, there are assets remaining after all fixed and contingent liabilities to Participants, Beneficiaries and Alternate Payees under the terms of the Plan within the meaning of ERISA section 4044(d)(1)(A) are satisfied, such excess assets may be refunded to the Participating Employers. Notwithstanding anything in this Section or any other provision of the Plan to the contrary, contributions shall be refunded to the Participating Employers if such contributions were made under a mistake of fact or if such contributions are disallowed as a deduction to a Participating Employer for federal income tax purposes or such contribution is otherwise nondeductible and recovery thereof is permitted, provided that such refunds are limited in time and amount as set forth in section 403(c) of ERISA or as otherwise permitted by applicable administrative rules. No such refund shall be made if, solely on account of such refund, the Plan would cease to be a qualified plan pursuant to section 401(a) of the Code.

Section 16.04 Mergers and Consolidations of Plans. In the event of any merger or consolidation with, or transfer of assets and liabilities to, any other plan, each Participant shall have a benefit in the surviving or transferee plan (determined as if such plan were then terminated immediately after such merger, consolidation or transfer) that is equal to or greater than the benefit he would have been entitled to receive immediately before such merger, consolidation or transfer in the plan in which he was then a participant (had such plan been terminated at that time). For the purposes hereof, former Participants, Beneficiaries and Alternate Payees shall be considered Participants. If the total liabilities of any plans that are merged into the Plan with respect to a Plan Year are equal to less than 3% of the assets of the Plan, in the event of a spin-off or termination of the Plan within five years following such merger, Plan assets will be allocated first for the benefit of Participants who were participants in the other plans involved in the merger to the extent of the present value of such Participants' benefits as of the date of the merger.

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ARTICLE XVII

TERMINATION OF PLAN

Section 17.01 Right to Terminate.

(a) The Company expects to continue this Plan and the corresponding trust indefinitely, but reserves the right to terminate the Plan in whole or in part at any time by resolution of the Board, without the consent of any Participant, Spouse, Beneficiary or Alternate Payee.

(b) If the Plan is terminated in whole or in part, all Participants hereunder affected by such total or partial termination shall be fully vested in their Accrued Benefits as of the date of termination to the extent then funded.

Section 17.02 Procedure for Complete Termination.

(a) After notice by the Employee Benefits Committee to the PBGC that the Plan is to be wholly terminated and upon failure to receive a notice of non-sufficiency from PBGC, the Employee Benefits Committee, after reserving an amount sufficient to pay all expenses and charges, shall direct the Trustee(s) to allocate the assets of the Fund in accordance with section 4044 of ERISA for the purposes set forth below and in the order set forth below, to the extent that the assets are available to provide benefits to Participants, Beneficiaries and Alternate Payees. Notwithstanding the foregoing, if the order of priorities set forth below conflicts with ERISA and amendments thereto or regulations thereunder, ERISA, its amendments and its regulations shall control.

(b) The Trustee(s), at the direction of the Employee Benefits Committee, shall make the allocation referred to above as follows:

(1) First, to that portion of each person's Accrued Benefit which is derived from the Participant's contributions to the Plan which were not mandatory contributions.

Second, to that portion of each person's Accrued Benefit which is derived from the Participant's mandatory contributions, if any.

Third, in the case of benefits payable as an annuity, (i) in the case of the benefit of a Participant, Spouse, or other Beneficiary or Alternate Payee which was in pay status as of the beginning of the three-year period ending on the termination date of the Plan, to each such benefit, based on the provisions of the Plan (as in effect during the five-year period ending on such date) under which such benefit would be the least, and (ii) in the case of a Participant's, Spouse's, or other Beneficiary's or Alternate Payee's benefit (other than a benefit described in (i) above) which would have been in pay status as of the beginning of such three-year period if the Participant had retired prior to the beginning of the three-year period and if his benefits had commenced (in the normal form of annuity under the Plan), as of the beginning of such period, to each such benefit based on the provisions of the Plan (as in effect during the five-year period ending

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on such date) under which the benefit would be the least. For the purposes of (i) above, the lowest benefit in pay status during a three-year period shall be considered the benefit in pay status for such period.

Fourth, to all other benefits (if any) of persons under the Plan guaranteed under the termination insurance provisions of ERISA.

Fifth, to all other nonforfeitable benefits under the Plan.

Sixth, to all other benefits under the Plan.

(2) If the assets available for allocation under any priority category (other than the fifth or sixth priority category) are insufficient to satisfy in full the benefits of all persons, the assets shall be allocated pro rata among such persons on the basis of the present value (as of the termination date) of their respective Accrued Benefits.

(3) If any assets of the Plan attributable to Participant contributions as determined in accordance with section 4044(d)(3) of ERISA remain after all liabilities of the Plan to Participants and their Beneficiaries and Alternate Payees have been satisfied, such assets shall be equitably distributed among the Participants, Beneficiaries and Alternate Payees of Participants (including Alternate Payees) who made such contributions in accordance with their respective rates or amounts of contribution, as the Trustee or Trustees determine.

(4) Any residual assets of the Plan remaining after distribution as aforesaid shall be distributed to the Participating Employers, provided

(A) all liabilities of the Plan to Participants and their Beneficiaries and Alternate Payees have been satisfied, and

(B) the distribution does not contravene any provision of law.

Section 17.03 Continuance of Trust. The Trustee(s) may, upon Plan termination (unless directed to dissolve the trust by the Company), either distribute benefits and terminate the trust or continue the trust for the purpose of providing the benefits contemplated by the Plan. In no event shall funds revert to the Participating Employers prior to the dissolution of the trust unless otherwise permitted by regulations issued under the Code and by ERISA in the event of Plan termination.

Section 17.04 Nontransferability of Contracts. Any Contract issued hereunder to provide payment of benefits shall be endorsed nontransferable.

Section 17.05 Limitation on Benefits.

(a) In the event of Plan termination, the benefit payable to any Highly Compensated Employee shall be limited to a benefit that is nondiscriminatory under section 401(a)(4) of the Code. If payment of benefits is restricted in accordance with this

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subsection (a), assets in excess of the amount required to provide such restricted benefits shall become a part of the assets available under Section 17.02 for allocation among Participants and their eligible spouses and beneficiaries whose benefits are not restricted under this subsection (a).

(b) The restrictions of this subsection (b) shall apply prior to termination of the Plan to any Participant who is a Highly Compensated Employee and who is one of the 25 highest paid employees or former employees of the Participating Employers and all Affiliated Companies for any Plan Year. The annual payments to or on behalf of any such Participant shall be limited to an amount equal to (1) the payments that would have been made to or on behalf of the Participant under a single life annuity that is the Actuarial Equivalent of the sum of the Participant's Accrued Benefit and any other benefits under the Plan (other than a social security supplement) plus (2) the payments that the Participant is entitled to receive under a social security supplement.

(c) The restrictions in subsection (b) shall not apply to a Participant described therein:

(1) if, after the payment of benefits to or on behalf of such Participant, the value of the Plan assets equals or exceeds 110% of the value of the current liabilities (within the meaning of section 412(l)(7) of the Code);

(2) if the value of the benefits payable to or on behalf of such Participant is less than 1% of the value of current liabilities before distribution;

(3) if the value of the benefits payable to or on behalf of such Participant does not exceed $5,000 ($3,500 prior to January 1, 1998); or

(4) such Participant has entered into an agreement with the Employee Benefits Committee as described in subsection (d).

(d) Notwithstanding subsection (b) of this Section 17.05, a Participant described in subsection (b) (a "restricted Participant") may receive distribution without regard to the restrictions described in that subsection provided that the following requirements are met:

(1) The "restricted amount" (which may be required to be repaid to the Plan) is the excess of the accumulated amount of distributions made to the restricted Participant over the accumulated amount of the Participant's nonrestricted limit. The Participant's "nonrestricted limit" is equal to the payments that could have been distributed to the Participant pursuant to subsection (b). An "accumulated amount" is the amount of a payment increased by a reasonable amount of interest from the date the payment was made (or would have been made) until the date for the determination of the restricted amount.

(2) Prior to receipt of a distribution from the Plan, the restricted Participant shall deposit in escrow with a depositary acceptable to the Employee Benefits Committee property having a fair market value equal to at least 125% of the restricted amount. Alternatively, the Participant may (A) post a bond from an

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insurance company, bonding company or other surety approved by the U.S. Treasury Department as an acceptable surety for federal bonds or (B) obtain a bank letter of credit in an amount equal to at least 100% of the restricted amount.

(3) Amounts in the escrow account in excess of 125% of the restricted amount may be withdrawn on behalf of the Participant. If the market value of the property in the escrow account falls below 110% of the restricted amount, the Participant shall deposit additional property to bring the value of the property up to 125% of the restricted amount. The Participant may receive any income from the property placed in escrow, provided that the 125% minimum is maintained. Similar rules shall apply to the release of any liability in excess of 100% of the restricted amount where the repayment obligation has been secured by a bond or a letter of credit.

(4) A depository may not redeliver to a Participant any property held under the agreement, other than amounts in excess of 125% of the restricted amount and a surety or bank may not release any liability on a bond or letter of credit unless the Employee Benefits Committee certifies that the restricted Participant (or the Participant's estate) is no longer obligated to repay any amount under the agreement. The Employee Benefits Committee shall make such certification at any time after the distribution commences if (A) the conditions of paragraphs (c)(1), (2) or (3) are met; (B) the Plan is terminated and the requirement of subsection (a) is met; or (C) the Participant is no longer a restricted Participant. Such certification shall terminate the agreement between the Participant and the Employee Benefits Committee.

Section 17.06 Recapture of Payments. No provision to the Plan shall be construed as exempting any Participant or other party from diminution of pension benefits and/or recapture of pension benefits by the PBGC to the extent such diminution and/or recapture is allowed by law.

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ARTICLE XVIII

MISCELLANEOUS PROVISIONS

Section 18.01 Nonalienation of Benefits.

(a) Except as provided in Section 18.01(b) and (c), none of the payments, benefits, or rights of any Participant, surviving Spouse, or other Beneficiary or Alternate Payee shall be subject to any claim of any creditor, and, in particular, to the fullest extent permitted by law, all such payments, benefits and rights shall be free from attachment, garnishment, trustee's process, or any other legal or equitable process available to any creditor of such Participant, surviving Spouse, or other Beneficiary or Alternate Payee. Except as provided in Section 18.01(b) and (c), no Participant, surviving Spouse, or other Beneficiary or Alternate Payee shall have the right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments which he may expect to receive, contingently or otherwise, under the Plan, except the right to designate a beneficiary or beneficiaries as hereinabove provided.

(b) Compliance with the provisions and conditions of any QDRO pursuant to Section 13.08 or of any federal tax levy made pursuant to section 6331 of the Code shall not be considered a violation of this provision.

(c) Compliance with the provisions and conditions of a judgment relating to the Participant's conviction of a crime involving the Plan, or a judgment, order, decree or settlement agreement between the Participant and the Secretary of Labor or the Pension Benefit Guaranty Corporation relating to a violation (or an alleged violation) of part 4 of subtitle B of title I of ERISA shall not be considered a violation of this provision.

Section 18.02 No Contract of Employment. Neither the establishment of the Plan, nor any modification thereof, nor the creation of any fund, trust or account, nor the payment of any benefits shall be construed as giving any Participant or Employee, or any person whomsoever, the right to be retained in the service of a Participating Employer, and all Participants and other Employees shall remain subject to discharge to the same extent as if the Plan had never been adopted.

Section 18.03 Severability of Provisions. If any provision of the Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and the Plan shall be construed and enforced as if such provisions had not been included.

Section 18.04 Heirs, Assigns and Personal Representatives. The Plan shall be binding upon the heirs, executors, administrators, successors and assigns of the parties, including each Participant, Spouse, Beneficiary and Alternate Payee, present and future (except that no successor to the Company shall be considered a Plan sponsor unless that successor adopts the Plan).

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Section 18.05 Headings and Captions. The headings and captions herein are provided for reference and convenience only, shall not be considered part of the Plan; and shall not be employed in the construction of the Plan.

Section 18.06 Gender and Number. Except where otherwise clearly indicated by context, the masculine and the neuter shall include the feminine and the neuter, the singular shall include the plural, and vice-versa.

Section 18.07 Controlling Law. The Plan shall be construed and enforced according to the laws of the state of New York to the extent not preempted by Federal law, which shall otherwise control.

Section 18.08 Title to Assets; Source of Benefits. No person shall have any right to, or interest in, any assets of the Fund, except as provided from time to time under the Plan, and then only to the extent of the benefits payable under the Plan to such person or out of the assets of the Fund. All benefits provided for in the Plan shall be paid solely from the assets of the Fund, and neither the Participating Employers nor any other person shall be liable therefor in any manner.

Section 18.09 Payments to Minors, Etc. Any benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of receipting therefor shall be deemed paid when paid to such person's guardian or, if none has been appointed, to the holder of a legally valid power of attorney from such person and such payment shall fully discharge the Trustee(s), the Employee Benefits Committee, the Participating Employers and all other parties with respect thereto.

Section 18.10 Reliance on Data and Consents. The Participating Employers, the Trustee(s), the Employee Benefits Committee, all fiduciaries with respect to the Plan, and all other persons or entities associated with the operation of the Plan, the management of its assets, and the provision of benefits thereunder, may reasonably rely on the truth, accuracy and completeness of any data provided by any Participant, Spouse, Beneficiary or Alternate Payee, including, without limitation, representations as to age, health and marital status. Furthermore, the Participating Employers, the Trustee(s), the Employee Benefits Committee, and all fiduciaries with respect to the Plan may reasonably rely on all consents, elections and designations filed with the Plan or those associated with the operation of the Plan and the Fund by any Participant, the Spouse of any Participant, any Beneficiary of any Participant or any Alternate Payee of any Participant, or the representatives of such persons without duty to inquire into the genuineness of any such consent, election or designation. None of the aforementioned persons or entities associated with the operation of the Plan, its assets and the benefits provided under the Plan shall have any duty to inquire into any such data, and all may rely on such data being current to the date of reference, it being the duty of the Participants, spouses of Participants, and Beneficiaries and Alternate Payees to advise the appropriate parties of any change in such data.

Section 18.11 Lost Payees. If a Participant, surviving Spouse or other Beneficiary or Alternate Payee to whom a benefit is payable under the Plan cannot be located following a reasonable effort to do so by the Employee Benefits Committee, such

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benefit shall be deemed forfeited. If a claim for a forfeited benefit is subsequently filed by the party to whom the benefit is properly payable, such benefit shall be reinstated. No payments shall be made for any period in which benefits would have been payable if the party to whom the benefit was properly payable had made timely application therefor.

Section 18.12 Notices. Each Participant, Spouse, Beneficiary and Alternate Payee shall be responsible for furnishing the Employee Benefits Committee with the current and proper address for the mailing of notices, reports and benefit payments. Any notice required or permitted shall be deemed given if directed to the person to whom addressed at such address and mailed by regular United States mail, first-class and prepaid. If any check mailed to such address is returned as undeliverable to the addressee, mailing of checks will be suspended until the Participant, Spouse, Beneficiary or Alternate Payee furnishes the proper address. This provision shall not be construed as requiring the mailing of any notice or notification if the regulations issued under ERISA deem sufficient notice to be given by the posting of notice in appropriate places, or by any other publication device.

Section 18.13 Counterparts. The Plan instrument and amendments thereto may be executed in several counterparts, each of which shall be deemed an original. As to the Plan instrument and as to the instruments of amendment thereto, the counterparts of the respective instruments shall be considered a single instrument, which may be sufficiently evidenced by one counterpart. Further, each amendment to the Plan shall be deemed to have amended all counterpart Plan instruments, and, if applicable, all counterparts of prior amendments.

Section 18.14 Acceptance by Other Employers. Another employer may adopt this Plan to cover its employees by filing with the Company a written resolution adopting the Plan, upon which the Company shall indicate its acceptance of such employer as a Participating Employer under the Plan.

Section 18.15 Mistaken Payments. If it is determined that a Participant, Beneficiary, surviving Spouse or Alternate Payee has received the incorrect payment(s) for any reason, overpayments shall be charged against, and underpayments shall be added to, any benefits otherwise payable to any such individual.

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Executed this _____ day of _____, 2001.

CELLCO PARTNERSHIP
(D/B/A VERIZON WIRELESS)

Attest: _____ By: _____

Title:_____

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APPENDIX A
ACTUARIAL ASSUMPTIONS AND FACTORS

VERIZON WIRELESS RETIREMENT PLAN

The following assumptions shall be used for determining the Actuarial Equivalent of a benefit, except as specified to the contrary in the Plan or Appendix C:

1. For Purposes of Calculating the Normal and Optional Forms:

(a) UCN Annuity Pension Benefit Options. For purposes of converting a UCN Annuity Pension Benefit in the form of a single life annuity described in Section 10.02(a)(1) to an optional form of payment, other than a single sum payment or an immediate annuity described in Section (b) below, the 1984 George B. Buck Mortality Table assuming 55% male and 45% female at 8% interest.

(b) Transition Benefit Account Options. For purposes of converting a Transition Benefit Account to an immediate single life annuity, the Applicable Interest Rate and the Applicable Mortality Table specified in Section 2(a)(ii) of this Appendix A.

2. For Purposes of Calculating Single Sum Distributions:

(a) UCN Annuity Pension Benefit.

(i) Prior to January 1, 2000. The single sum value of a participant's monthly UCN Annuity Pension Benefit shall be actuarially computed on the basis of the 1984 George B. Buck Mortality Table assuming 55% male and 45% female at the interest rate that would have been used by the PGBC as of the distribution date for purposes of determining the present value of a single sum distribution on termination of a plan; provided, however, that if the present value of the single sum distribution exceeds $25,000 using the PBGC interest rate, the interest rate assumption shall be 120 percent of the PBGC Rate, provided that the foregoing amount shall never be less than $25,000.

(ii) Effective January 1, 2000. Notwithstanding the foregoing, effective January 1, 2000, the single sum value of a Participant's monthly UCN Annuity Pension Benefit shall be actuarially computed on the basis of: the mortality table prescribed by the Secretary of the Treasury (the "Secretary") pursuant to section 417(e)(3)(A)(ii)(I) of the Code (the "Applicable Mortality Table"); and the annual rate of interest on 30-year Treasury securities as specified by the Secretary pursuant to section 417(e)(3)(A)(ii)(II) of the Code for the second month prior to the first day of the Plan Year in which payment is made (the "Applicable Interest Rate").

(b) Transition Benefit Account. For benefits in the form of a Transition Benefit Account, the single sum value of a Participant's Transition Benefit Account shall be based solely on the balance of the Participant's Transition Benefit Account as of the Benefit Payment Date.

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3. Top-Heavy Rules

Except to the extent specified otherwise in Appendix C, for the purpose of implementing the top-heavy rules and tests of Code Section 416, actuarial equivalence and actuarial present values shall be determined on the basis of an interest rate of 7% per annum compounded annually and on the basis of the UP-1984 Mortality Table.

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APPENDIX B
PARTICIPATING EMPLOYERS

Cellco Partnership (d/b/a Verizon Wireless)
AirTouch Cellular (California)
Verizon Wireless Texas LLC
NYNEX PCS, Inc.

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APPENDIX C

FOR FORMER EMPLOYEES OF AIRTOUCH COMMUNICATIONS, INC. AND CERTAIN ACTIVE EMPLOYEES OF VODAFONE AMERICAS ASIA INC., FORMERLY, AIRTOUCH COMMUNICATIONS INC.

Effective as of the close of December 31, 2000, all of the assets and liabilities of the AirTouch Plan were transferred to the Plan, and participants in the AirTouch Plan ceased accruing benefits thereunder. The purpose of this Appendix C is to provide the participants in the AirTouch Plan with the benefits they had accrued under the AirTouch Plan as of December 31, 2000. In addition, the portion of a Participant's Accrued Benefit under the Plan attributable to his AirTouch Annuity Pension Benefit may increase with increases in his Final Average Compensation and, for Full Accrual Participants, with additional Years of Credited Service as provided in this Appendix C. The portion of a Participant's Accrued Benefit under the Plan attributable to his AirTouch Annuity Pension Benefit is payable in the special forms of payment provided in this Appendix C.

This Appendix C is a part of the Plan and shall be administered in accordance with the provisions of the Plan. The benefits payable under the Plan to any AirTouch Active Participant or AirTouch Inactive Participant shall be governed by the rules set forth in the Plan, except as otherwise specifically provided in this Appendix C. In no event shall the Accrued Benefit provided hereunder to such a Participant under the Plan and this Appendix C be less than the accrued benefit of such individual under the AirTouch Plan as of December 31, 2000.

The benefits payable under this Appendix C to any AirTouch Active Participant or AirTouch Inactive Participant who has one or more Hours of Service under the Plan on or after January 1, 2001 shall be calculated and payable in accordance with the terms of the AirTouch Plan as it existed on December 31, 2000 (consisting of the AirTouch Communications Employees Pension Plan (Amended and Restated as of January 1, 1995) and amendments number 1, 2, 4 and 5 to the AirTouch Plan, all of which are hereby incorporated into the Plan by this reference), with the following exceptions:

1. The cash-out provisions contained in the Plan shall apply in lieu of the cash-out provisions contained in the AirTouch Plan.

2. The provisions in the Plan concerning minimum required distributions under section 401(a)(9) of the Code shall apply in lieu of the minimum required distribution provisions contained in the AirTouch Plan.

3. In-Service Pensions (as described in Section 5 of the AirTouch Plan) shall not be required or permitted.

4. No Compensation earned by a Participant on or after January 1, 2007 shall be counted for purposes of determining his Final Average Compensation under the AirTouch Plan.

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5. Unless previously terminated under the provisions of the AirTouch Plan, a Participant's "Term of Employment" for purposes of the AirTouch Plan shall cease on December 31, 2006.

The benefits payable under the terms of the AirTouch Plan (or its predecessors) to any individual who does not have one or more Hours of Service under the Plan on or after January 1, 2001 and who is not employed by a "Participating Company" (as defined in the AirTouch Plan) on or after December 31, 2000 shall be determined under the terms of the AirTouch Plan (or its predecessors) in effect on the date such individual's employment terminated.

EXHIBIT 10.48

VERIZON ENTERPRISES MANAGEMENT PENSION PLAN

AS AMENDED AND RESTATED
EFFECTIVE JANUARY 1, 2002

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ARTICLE I

INTRODUCTION

1.1 History of Plan. This Plan shall be known as the "Verizon Enterprises Management Pension Plan" effective with the merger of the Products Plan (defined below) with and into the Enterprises Plan (defined below) immediately after the close of business on November 30, 2001.

The Chesapeake Directory Sales Company established the Chesapeake Directory Sales Company Pension Plan (the "Chesapeake Plan") effective January 1, 1989. The Chesapeake Plan was converted effective December 31, 1995 to a cash balance plan and renamed the "Chesapeake Directory Sales Company Cash Balance Plan" and was renamed again on January 1, 2001 as "Verizon's Chesapeake Directory Sales Company Cash Balance Plan." The Chesapeake Plan was amended and restated as of the close of business on May 31, 2001 to reflect the merger with and into the Chesapeake Plan of Verizon's Bell Atlantic Enterprises Cash Balance Plan and the concurrent renaming of the Chesapeake Plan as "Verizon's Bell Atlantic Enterprises Cash Balance Plan" (the "Enterprises Plan").

The Verizon GTE Products Corporation Plan for Employees' Pensions (the "Products Plan") was established as of January 1, 1977, for the purpose of providing retirement benefits for eligible employees and their beneficiaries. The Products Plan was amended and restated effective as of August 7, 1987, principally to incorporate provisions of the GTE benefits protection program designed to secure certain benefit entitlements under the Products Plan in the event of a Change in Control of GTE Corporation and, effective January 1, 1988, to incorporate provisions required by the Omnibus Budget Reconciliation Act of 1986. The Products Plan was amended and restated, effective January 1, 1989, to incorporate miscellaneous intervening amendments to the Products Plan and to add provisions required by the Tax Reform Act of 1986 and other related legislation, and was subsequently amended from time to time to reflect changes to benefit entitlements and to comply with changes in applicable law.

The Products Plan was merged with and into the Enterprises Plan immediately after the close of business on November 30, 2001 and the surviving plan was named the "Verizon Enterprises Management Pension Plan" (the "Plan"). The Plan as amended and restated herein, effective January 1, 2002, (i) incorporates provisions required by the Uruguay Round Agreements Act, the Uniformed Services Employment and Reemployment Rights Act of 1994, the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, the Internal Revenue Service Restructuring and Reform Act of 1998, and the Community Renewal Tax Relief Act of 2000, and related guidance, (ii) reflects the merger of the Products Plan into the Enterprises Plan immediately after the close of business on November 30, 2001, and (iii) incorporates the provisions of the new pension formula effective January 1, 2002.

1.2 Effect of Restatement. The right to a Pension, if any, of an Employee who terminates his employment with the Affiliates on or after January 1, 2002, shall be determined by the terms of the Plan (or, if appropriate, any plan merged into the Plan) in effect on the date of his termination of employment; provided that in no event shall the adoption of this amendment and restatement of the Plan cause any participant's benefits under the Plan that are accrued or treated as accrued under section 411(d)(6) of the Code to be less than such benefits immediately before the adoption of this amendment and restatement; and provided further that

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those provisions of the Plan (or, if appropriate, any plan merged into the Plan) that are effective as of a date before January 1, 2002, and that were not otherwise in effect under the Plan (or, if appropriate, any Plan merged into the Plan) before the Plan's amendment and restatement by this instrument shall nonetheless be applied to determine the right to a Pension of an Employee who terminates his employment with the Affiliates on or after the effective date of such provision; and provided further that the change in control provisions in effect under the Products Plan as of the change in control that occurred on May 18, 1999 shall continue to apply through May 18, 2004 with respect to individuals who were participants or beneficiaries in the Products Plan on May 18, 1999. The provisions of this restated Plan that are required to comply with the requirements of applicable law referred to in clause (i) in the last sentence of Section 1.1 shall apply to amend the provisions of any plan that has previously been merged into the Plan including, but not limited to, Verizon's Bell Atlantic Enterprises Cash Balance Plan and the Verizon GTE Products Corporation Plan for Employees' Pensions.

1.3 Effect on Prior Actions and Elections. Unless it is inconsistent with the terms of the Plan, any action taken or election made by the Committee or by an Employee, former or Retired Employee, or Beneficiary under the Plan (or, if appropriate, any plan merged into the Plan) before the Plan's amendment and restatement by this instrument shall be regarded as having been taken or made under the Plan as amended and restated and as in effect hereunder unless and until changed in accordance with the terms of the Plan.

1.4 Incorporation of Trust Agreement. The Trust Agreement established under the Plan shall be incorporated into, and made a part of, the Plan in accordance with Section 8.2.

1.5 Schedules to Plan. The provisions of the main text of this Plan, as they relate to the employees of a cosponsor of the Plan, or a category or categories of employees of any cosponsor of the Plan, may be varied by special provisions stated in one or more Schedules attached to the Plan. Any such Schedules are part of the Plan.

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ARTICLE II

DEFINITIONS

When used in capitalized form in this Plan, the following terms shall have the following meanings, unless the context clearly requires a different meaning:

"Accredited Service" means the period of employment taken into account as Accredited Service under Article IV or Article IV-A, as appropriate.

"Accrued Benefit" means:

(a) For an Excluded Employee, on any given date, the pension (whether or not vested) that would be payable to the Employee in the form of a single life annuity commencing as of the first day of the month next following his Normal Retirement Date in accordance with Section 6.1, based on his Accredited Service and Average Annual Compensation as of the date as of which his Accrued Benefit is determined.

(b) The Accrued Benefit of a Prior Plan participant who does not complete a Paid Hour of Service on or after January 1, 2002 shall be determined as described in Section 6A.11.

(c) For an Employee who completes a Paid Hour of Service on or after January 1, 2002 (other than an Excluded Employee), on any given date, the pension (whether vested or not vested) that would be payable to the Employee in the form of a single life annuity commencing as of his Pension Commencement Date, determined in accordance with Section 6A.2 as if such date is his Pension Commencement Date, based on his Cash Balance Account, Accredited Service, Average Annual Compensation, Pension Accrual Service and/or Net Monthly Compensation, as appropriate, as of such date.

"ADEA" means the Age Discrimination in Employment Act of 1967, as amended and in effect from time to time.

"Affiliate" means:

(a) the Company;

(b) any other corporation that is a member of a controlled group of corporations (as defined in section 1563(a) of the Code, without regard to section 1563(a)(4) and (e)(3)(C) of the Code) of which the Company is also a member;

(c) any unincorporated business under common control with the Company, as determined under section 414(c) of the Code and, to the extent not inconsistent therewith, under such rules as may be adopted by the Board;

(d) for periods after December 31, 1981, a member of any affiliated service group that includes the Company, as determined under section 414(m) of the Code; or

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(e) for periods after December 31, 1983, except to the extent otherwise provided in Treasury Regulations, a leasing organization with respect to the periods of service performed by any individual who is a leased employee (within the meaning of section 414(n) of the Code) with respect to an Affiliate (determined without regard to this subsection (e)) or any related person (within the meaning of section 144(a)(3) of the Code).

A corporation, unincorporated business, or other organization shall qualify as an Affiliate only with respect to the period during which it satisfies one or more of the applicable descriptions in subsections (a) through (e), above. Except as otherwise specifically provided in the Plan, the employment of an individual with an Affiliate for purposes of the Plan shall not include any period with respect to which the corporation, unincorporated business, or other organization constituting the Affiliate fails to satisfy one or more of the applicable descriptions in subsections (a) through (e), above, and an individual's employment with an Affiliate shall be considered terminated for purposes of the Plan no later than the date on which the corporation, unincorporated business, or other organization constituting the Affiliate ceases to satisfy any of the applicable descriptions in subsections (a) through (e), above. Subsections (d) and (e), above, shall apply solely for purposes of determining an individual's eligibility for participation and his Vesting Service, and shall not apply for any other purpose under the Plan, including, without limitation, for purposes of determining his Accredited Service, Net Credited Service or Pension Accrual Service.

"Age 65 Normal Retirement Date" means, for any participant, the last day of the month in which he attains age 65, except that, in the case of a participant who was not employed by the Affiliates on or before the last day of the month during which he attained age 60, "Age 65 Normal Retirement Date" means the last day of the month in which occurs the fifth anniversary of the date as of which his participation in the Plan commenced or the last day of the month in which the participant completes five (5) years of Vesting Service, if earlier. Notwithstanding the above, for a former Enterprises Plan participant or a participant for whom assets and liabilities for benefits have been transferred to the Plan from another qualified plan (as a result of a transfer for the individual participant or a merger of such other plan into the Plan), "Age 65 Normal Retirement Date" shall not be later than the last day of the month in which the participant would have attained normal retirement age under such other plan.

"Annual Compensation Limit" means the annual compensation limit determined under section 401(a)(17) of the Code. Compliance with the Annual Compensation Limit shall be determined in accordance with the following rules:

(a) For purposes of determining benefit accruals of an Employee under the Plan for any Plan Year beginning after December 31, 2001, the Annual Compensation Limit for calendar year 2002 and all prior calendar years shall be $200,000, and the Annual Compensation Limit for each calendar year after 2002 shall be determined in accordance with section 401(a)(17)(B) of the Code.

(b) For purposes of this definition, the benefit accruals of an Employee shall consist of accruals of (i) any benefit accrued or treated as accrued under section 411(d)(6) of the Code, and (ii) any ancillary benefit provided under the

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Plan. In addition, the accrued benefit of an Employee shall consist of all benefits accrued or treated as accrued under section 411(d)(6) of the Code.

(c) Notwithstanding anything in subsections (a) and (b), above, to the contrary, with respect to benefits accrued under a Prior Plan before January 1, 2002, the Annual Compliance Limit shall be applied as provided by the terms of such Prior Plan as in effect on the relevant date.

"Article" means an article of this Plan.

"Authorized Individual" means the Executive Vice President - Human Resources and Administration of Verizon Corporate Services Group Inc. or Verizon, or a direct report of either who is responsible for employee benefit plan design or administration.

"Average Annual Compensation" means:

(a) for an Excluded Employee, twelve (12) times the average of an Employee's Monthly Compensation over the sixty (60) consecutive calendar months during which the average of his Monthly Compensation is the highest. For this purpose, calendar months during which the Employee is not employed by a Control Group Affiliate shall be ignored. If an Employee has been employed by the Control Group Affiliates for less than sixty (60) calendar months, his Average Annual Compensation shall be determined over such lesser period of employment; or

(b) for a participant other than an Excluded Employee who completes a Paid Hour of Service on or after January 1, 2002, twelve (12) times the average of an Employee's Monthly Compensation over the sixty (60) consecutive calendar months during which the average of his Monthly Compensation is the highest. For this purpose, calendar months during which the Employee is not credited with Monthly Compensation, including calendar months during a Period of Severance, shall be ignored and calendar months of Monthly Compensation before and after such months shall be treated as consecutive. If an Employee has been credited with Monthly Compensation for less than sixty (60) calendar months, his Average Annual Compensation shall be determined over such lesser period of employment.

"Bell Atlantic Company" means Bell Atlantic Corporation as it existed before June 30, 2000, and any company which, at the time the Employee rendered service to such company, was an affiliated company that was then directly or indirectly 80% to 100% owned by Bell Atlantic Corporation (or its predecessor corporations), determining "affiliated companies" in accordance with sections 414(b), (c), (m) or (o) of the Code.

"Beneficiary" means any individual designated or deemed designated by an Employee or former Employee, in accordance with Section 6.4, 6A.4, 6A.5 or 6A.6, to receive a benefit under the Plan after the Employee's or former Employee's death.

"Board" means the Board of Directors of the Company.

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"Cash Balance Account" means a recordkeeping account, maintained for an Employee, for the purpose of tracking the Employee's benefit accrued under the Plan's cash balance formula described in Section 6A.1(a), attributable to the Employee's opening balance, any Pay Credits and/or Interest Credits that may be credited under the Plan, and any cash balance account that may have been transferred from a plan maintained by an Affiliate pursuant to Section 13.1 or from an Interchange Company Pension Plan pursuant to Section 13.3.

"Code" means the Internal Revenue Code of 1986, as amended and in effect from time to time.

"Committee" or "Employee Benefits Committee" or "Verizon Employee Benefits Committee" means the committee appointed pursuant to Article IX.

"Company" means Chesapeake Directory Sales Company or any successor thereto. Except for purposes of the definitions of "Board" and "Controlled Group Affiliate," exercising the power to amend the Plan, and exercising the power to designate a cosponsor under Section 10.1, the term "Company" also means an Affiliate that cosponsors the Plan.

"Control Group Affiliate" means the Company and any other corporation that is a member of a controlled group of corporations (as defined in section 1563(a) of the Code, without regard to section 1563(a)(4) and (e)(3)(C) of the Code) of which the Company is also a member, but only with respect to the period during which such other corporation is a member of such controlled group of corporations. Except as otherwise specifically provided in the Plan, the employment of an individual with a Control Group Affiliate for purposes of the Plan shall not include any period with respect to which the corporation constituting the Control Group Affiliate is not a member of the controlled group of corporations described in the preceding sentence, and an individual's employment with a Control Group Affiliate shall be considered terminated for purposes of the Plan no later than the date on which the corporation constituting the Control Group Affiliate ceases to be a member of the controlled group of corporations described in the preceding sentence.

"Customary Work Year" means:

(a) in the case of the Company, the lesser of (i) 2080 hours or (ii) the standard number of hours worked in any calendar year by full-time Employees comparably situated in the Company according to written statements of Company policy in effect from time to time, and

(b) in the case of an Affiliate (other than the Company) or any other employer, the lesser of (i) the number of hours required for a year of service under any Other Pension Plan sponsored by such Affiliate or employer, or (ii) the standard number of hours worked in any calendar year by full-time employees comparably situated according to written statements of such Affiliate's or employer's policy in effect from time to time.

"Deferred Vested Pension" means the payments under the Plan to an Employee who is eligible by reason of age and Vesting Service, pursuant to Section 5.5 and Section 6.3.

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"Disability Pension" means the payments under the Plan, by reason of Disability, to a Retired Employee pursuant to Section 5.4 and Section 6.2 or pursuant to Section 5A.4 and Section 6A.3.

"Disabled" or "Disability" means the total disability of an Employee with respect to which the Employee is eligible to receive benefits under the LTD Plan or would be eligible to receive benefits under the LTD Plan if the Employee had been participating in the LTD Plan.

"Distribution-Eligible Employee" means an individual (a) who, as of December 31, 1999, is an Employee actively participating in the Products Plan and has attained Normal Retirement Age, and (b) who has not terminated employment with the Affiliates, excluding (i) any Employee whose employment was or will be transferred from a cosponsor of the Products Plan to either General Dynamics Corporation or an affiliate thereof or DynCorp or an affiliate thereof pursuant to either the Stock Purchase Agreement dated as of June 21, 1999 between Contel Federal Systems, Inc. and General Dynamics Corporation or the Purchase Agreement dated as of October 29, 1999 between Contel Federal Systems, Inc. and DynCorp, (ii) any Employee at a property that is to be divested as part of the GTE Corporation's Network Repositioning program, (iii) the Chairman and Chief Executive Officer of GTE Corporation, and (iv) the President of GTE Corporation.

"Early Retirement Date" means any date before his Normal Retirement Date on which an Employee eligible for the provisions of Article V actually Retires or is Retired pursuant to Section 5.3.

"Employee" means any individual determined by the Company to be employed in an employer-employee relationship by the Company as a salaried regular full-time or regular part-time employee, whether such employee is then in active service, or is absent from active service by reason of vacation, sickness, short term disability, leave of absence, or the like, or whose Vesting Service, Net Credited Service and Pension Accrual Service have continued to accrue in accordance with Sections 4A.1(d), 4A.2(d) and 4A.3(e). "Employee" shall also mean (I) any individual employed in an employer-employee relationship by the Company in an hourly-rated position in a unit or division of the Company whose hourly-rated employees are specifically authorized by the Company to participate in the Plan pursuant to a collective bargaining agreement or otherwise or (II) a represented employee who has been temporarily promoted to a regular salaried position with the Company and has remained in that position for at least one year. Notwithstanding anything stated previously, an individual shall not be an Employee if he or she is:

(a) an employee with the status of "Term Employee" (as that term is defined under the human resources guidelines of the Company);

(b) a "leased employee" within the meaning of section 414(n) or 414(o) of the Code;

(c) an individual employed in a division or unit designated by the Company to be a non-participating division or unit on the basis of uniform and non-discriminatory rules;

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(d) a represented employee who is included in a unit of employees of the Company covered by a collective bargaining agreement that does not provide for participation in the Plan;

(e) a represented employee who has been temporarily promoted to a regular salaried position with the Company and has remained in that position for less than one year;

(f) an individual who is retained by the Company pursuant to a contract or agreement that specifies that the individual is not eligible to participate in the Plan;

(g) an individual whose basic compensation for services rendered on behalf of the Company is not paid directly by the Company;

(h) a nonresident alien who receives no earned income (within the meaning of section 911(d)(2) of the Code) from an Affiliate which constitutes income from sources within the United States (within the meaning of section 861(a)(3) of the Code) and, for a Former Bell Atlantic Employee, who was not covered by a predecessor plan on September 30, 1980; provided, however, that this provision shall not result in the exclusion from Employee status of any individual described in this subsection (h) who is an employee actively participating in the Products Plan immediately before January 1, 2002, unless and until the individual loses Employee status based on a provision of the Plan other than this subsection (h); or

(i) an individual who is not classified as a common-law employee by the Company, as evidenced by payroll records or a written agreement with the individual, regardless of any subsequent reclassification of such individual as a "common-law" employee of the Company by the Company, any governmental agency, or any court, provided that, if such an individual is later classified as a common-law employee by the Company, any governmental agency, or any court, such individual shall be treated as an Employee prospectively (and not retroactively) from the date of such reclassification.

"Employment Commencement Date" means the date on which an employee is first entitled to be credited with a Paid Hour of Service.

"Enrolled Actuary" means an actuary who is enrolled in accordance with ERISA.

"Enterprises Plan " means Verizon's Bell Atlantic Enterprises Cash Balance Plan as in effect on November 30, 2001, and as extended through December 31, 2001 pursuant to Section 6A.11.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended and in effect from time to time.

"Excluded Employee" means a participant who is an Employee on or after January 1, 2002 but whose benefits are determined under the provisions of Articles IV,

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V and VI. Excluded Employees include (i) employees of international subsidiaries of the Company, and (ii) any group of Employees advised by the Plan administrator or the Human Resources department of the Company or Verizon before January 1, 2002 that the new pension formula effective in January 2002 will not apply to them.

"Exhibit" means an exhibit appearing at the end of this Plan.

"Former Bell Atlantic Employee" means an Employee who has a period of service before January 1, 2002 with a Bell Atlantic Company.

"Former GTE Employee" means an Employee who has a period of service before January 1, 2002 with a GTE Company.

"GTE Benefits Programs" means the plans, programs, policies, or contracts designated on Schedule 1 to the GTE Benefits Protection Trust as in effect on the earlier of the day before the Change in Control under Article XI-A occurred or the last day on which the GTE Benefits Protection Trust was in effect, provided that if the GTE Benefits Protection Trust is not established before the occurrence of the Change in Control under Article XI-A, "GTE Benefits Programs" shall mean the plans, programs, policies, and contracts listed on Schedule 1 to the draft of the GTE Benefits Protection Trust presented to and approved by the Board of Directors of GTE Corporation on August 6, 1987.

"GTE Benefits Protection Trust" means the GTE Service Corporation Benefits Protection Trust established, as of September 15, 1987, as a grantor trust under a trust agreement by and between GTE Service Corporation (Verizon Corporate Services Group Inc. effective December 11, 2001) and the trustee thereunder, as amended and in effect from time to time, for the purpose of ensuring that employees and former employees (and their beneficiaries) of Original Verizon Entities who are participants or beneficiaries under one or more of the GTE Benefits Programs will receive the benefits to which they are entitled thereunder.

"GTE Company" means GTE Corporation as it existed before June 30, 2000, and any company which, at the time the Employee rendered service to the company, was an affiliated company that was then directly or indirectly 80% to 100% owned by GTE Corporation (or its predecessor corporations), determining "affiliated companies" in accordance with sections 414(b), (c), (m) or (o) of the Code.

"Hour of Service" means with respect to an employee (including a leased employee within the meaning of section 414(n) of the Code):

(a) each hour for which an employee is directly or indirectly paid or entitled to payment by an Affiliate for the performance of duties (such hours to be credited to the employee for the computation period or periods in which the duties are performed);

(b) each hour for which the employee is directly or indirectly paid or entitled to payment by an Affiliate for reasons other than the performance of duties; and

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(c) each hour for which back pay to the employee, irrespective of mitigation of damages, has been either awarded or agreed to by an Affiliate.

Hours credited in accordance with subsections (b) and (c), above, shall be credited in accordance with 29 C.F.R. ss. 2530.200b-2(b) & (c), as amended.

An Employee also shall be credited with one Hour of Service for each hour of excused absence time which has been approved for Vesting Service and Accredited Service purposes in accordance with Company policy in effect from time to time (within the meaning of Sections 4.2(a) and 4.6(a), respectively).

"Interchange Agreement" means the Mandatory Portability Agreement, made as of January 1, 1985 among NYNEX Corporation, Bell Atlantic Corporation, AT&T and one or more other companies pursuant to P.L. 98-369, Section 559, or any similar agreement that provides for the portability of benefits with respect to certain former Employees or Employees who are or were employed by an Interchange Company.

"Interchange Company" means a company that is a party to an Interchange Agreement, but only so long as such Interchange Agreement is in force and effect. Any Company or other Affiliate that was not an Interchange Company prior to December 1, 2001 shall not become an Interchange Company solely due to the merger of the Products Plan with and into the Enterprises Plan on November 30, 2001.

"Interchange Company Pension Plan" means a defined benefit pension plan, maintained by an Interchange Company, that is qualified under section 401(a) of the Code, other than the Plan or any other plan of an Affiliate.

"Interest Credits" means dollar credits, based on the Interest Credit Percentage, that may be credited on a monthly basis to a Participant's Cash Balance Account pursuant to Section 6A.1(a)(iii).

"Interest Credit Percentage" means, for a given month beginning on or after January 1, 2002, one-twelfth of the lesser of:

(a) one (1) percentage point plus the average annual yield on U.S. Treasury debt securities with a constant maturity of one year (as published in Federal Reserve Statistical Release H.15) for the second month preceding the first day of the calendar quarter in which the given month occurs; or

(b) the "applicable interest rate" within the meaning of section 417(e)(3)(A)(ii)(II) of the Code for the second month preceding the first day of the calendar quarter in which the given month occurs.

"Joint-Survivor Pension" means the joint and survivor annuity form of payment described in Section 6A.6(a).

"LTD Plan" means the Long-Term Disability Income Protection Plan adopted by the Company (but not the long-term disability plan maintained by Bell Atlantic Corporation as of December 31, 2001, under which a Former Bell Atlantic Employee has elected to remain covered).

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"Monthly Compensation" means:

(a) Monthly Compensation For Excluded Employees. For purposes of determining Average Annual Compensation as of a date on or after January 1, 2002 for an Excluded Employee, an Employee's monthly base rate of compensation for a calendar month determined in accordance with the following rules:

(i) If there is more than one monthly base rate of compensation in effect with respect to an Employee for a calendar month, the Employee's Monthly Compensation for the calendar month shall be the highest such monthly base rate of compensation.

(ii) Only compensation for services rendered as an employee of a Control Group Affiliate shall be taken into account as Monthly Compensation. During periods when an Employee is scheduled to perform services on less than a full-time basis, the Employee's monthly base rate of compensation shall be reduced to reflect his reduced working schedule.

(iii) Monthly Compensation shall include any amount that would qualify as such but for the Employee's agreement to defer or forego receipt thereof pursuant to a qualified cash or deferred arrangement described in section 401(k) of the Code or a cafeteria plan described in section 125 of the Code. Effective October 1, 2001, or the first payroll period beginning thereafter, Monthly Compensation shall include pre-tax contributions relating to "qualified transportation fringe" benefits under section 132(f)(4) of the Code.

(iv) For calendar years after 1987, Monthly Compensation (A) shall include (I) foreign service premium paid as an incentive to accept a foreign assignment, (II) payments made under the Performance Rewards Program and similar team-oriented short-term incentives that are specifically included by the Committee from time to time, and (III) commissions and bonuses on account of sales when received by an Employee pursuant to a written commitment of his employer, but (B) shall not include any (I) Executive Incentive Plan (EIP) payment, (II) Unit Incentive Plan (UIP) payment, (III) Distinguished Service Award payment, (IV) overtime, (V) differentials, (VI) premiums, and (VII) other similar types of payment. Monthly Compensation for years beginning on and after January 1, 1995, shall include temporary job reclassification pay adjustments that are paid to the Employee for a period of at least 90 consecutive calendar days. Monthly Compensation for years beginning on and after January 1, 1995, shall include the amount of any single sum merit payment made to an Employee in lieu of an annual salary increase for such year. Monthly Compensation also shall include Executive Incentive Plan (EIP) awards when earned, Management Incentive Plan (MIP) awards when paid, International Team Incentive Program (ITIP) awards when paid, and GTE Investment Management Corporation Incentive Plan awards when

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paid; provided that, to the extent an Executive Incentive Plan (EIP) award is awarded on other than a monthly basis, it shall be attributed to Monthly Compensation ratably over the period for which it is awarded, and the Employee's 2000 EIP payment shall be credited ratably over 2000 and at the rate of 1/12 of such payment per month of employment in 2001.

(v) For calendar years before 1988, Monthly Compensation (A) shall include (I) foreign service premium paid as an incentive to accept a foreign assignment and (II) commissions and bonuses on account of sales when received by an Employee pursuant to a written commitment of his employer, but (B) shall not include (I) overtime, (II) differentials, (III) premiums, and (IV) other similar types of payment.

(vi) In addition to other applicable limitations that may be set forth in the Plan and notwithstanding any other contrary provision of the Plan, the sum of the Monthly Compensation taken into account with respect to an Employee for the twelve calendar months in a determination year shall not exceed the Annual Compensation Limit in effect with respect to the Employee for the calendar year in which the determination year begins. If the sum of the Monthly Compensation with respect to an Employee for a determination year would otherwise exceed such Annual Compensation Limit, the Monthly Compensation for each calendar month in the determination year shall be reduced, beginning with the calendar month in which the Employee has the greatest Monthly Compensation, until such Annual Compensation Limit is no longer exceeded. For purposes of this paragraph, the determination years with respect to an Employee shall consist of the consecutive twelve-calendar-month periods that end with the calendar month in which the Employee's employment with the Affiliates terminates.

(b) Monthly Compensation After 2001. For purposes of determining Average Annual Compensation, Pay Credits or Net Monthly Compensation as of a date on or after January 1, 2002 for an Employee other than an Excluded Employee, an Employee's monthly base rate of compensation and other compensation for a calendar month determined in accordance with the following rules:

(i) Credit for Compensation Before 2002. For purposes of determining Average Annual Compensation, an Employee's Monthly Compensation for calendar months beginning before January 1, 2002 will equal the Employee's compensation for pension accrual purposes determined as described in (A) the applicable Prior Plan, or (B) any plan of the Company or another Affiliate or any Interchange Company Pension Plan from which benefit assets and liabilities have been transferred for the Employee, in which the Employee was then an active participant; provided, however, that compensation received by the Employee from a Bell Atlantic Company before 1996 shall not be taken into account and compensation for any period of participation in a plan that does not define compensation for pension accrual purposes

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shall be determined by applying the definition of Monthly Compensation in effect under the Products Plan during such period to the Employee's compensation from the Company, Affiliate or Interchange Company by which he was then employed.

(ii) Credit for Compensation After 2001. An Employee's Monthly Compensation for calendar months beginning on or after January 1, 2002 shall be determined as follows:

(A) Determining Monthly Base Rate. An Employee's monthly base rate of compensation for a calendar month shall be included in his Monthly Compensation for that month. If there is more than one monthly base rate of compensation in effect with respect to an Employee for a calendar month, the Employee's Monthly Compensation for the calendar month shall include only the highest such monthly base rate of compensation.

(B) Compensation as an Employee. Only compensation for services rendered as an Employee shall be taken into account as Monthly Compensation for purposes of determining the Employee's Pay Credits, Average Annual Compensation or Net Monthly Compensation; provided, however, that:

(I) an Employee's compensation from the Company or another Affiliate or from an Interchange Company earned for service other than as an Employee, during which he accrued pension benefits under a plan maintained by such Company or Affiliate or under an Interchange Company Pension Plan the assets and liabilities for which have been transferred to the Plan, shall be taken into account in determining the Employee's Monthly Compensation for purposes of calculating his Average Annual Compensation to the extent such compensation was included in the definition of "compensation" applied under such other plan to determine the Employee's transferred benefit; provided, however, that compensation for any period of participation in a plan that does not define compensation for pension accrual purposes shall be determined by applying the definition of Monthly Compensation in effect under the Plan during such period to the Employee's compensation from the Company, Affiliate or Interchange Company by which he was then employed; and

(II) for a Former GTE Employee, compensation for service rendered as an employee of a Control Group Affiliate that occurs after December 31, 2001 and before June 1, 2004 and after his status as an Employee ends shall be taken into account in determining the Employee's Monthly Compensation for purposes of calculating his Average Annual Compensation, to the extent not otherwise credited under this definition.

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(C) Compensation for Part-Time Employment. For a calendar month in which an Employee is scheduled to perform on a part-time basis for the entire month, the Employee's actual base compensation shall be included in Monthly Compensation instead of the amount described in paragraph (A).

(D) Base Rate for Less than Full Month. A full-time Employee's monthly base rate of compensation shall not be prorated for periods of employment of less than a full calendar month.

(E) Imputing Compensation During Disability. An individual who becomes disabled while an Employee and qualifies for and begins to receive benefits under the LTD Plan shall be deemed to receive Monthly Compensation, for the period commencing on the date of the onset of disability and ending on the date benefits under the LTD Plan cease (or his Pension Commencement Date, if earlier), equal to the Employee's monthly base rate of compensation in effect immediately before such period; provided, however, that for an Employee whose compensation is based on commissions, the monthly base rate of compensation for this purpose shall be increased by the monthly average of the Employee's commissions for the 12 months immediately preceding such period.

(F) Imputing Compensation During Non-Disability Absences. An Employee who is credited with Pension Accrual Service for a period of unpaid absence from employment with the Company shall be deemed to receive Monthly Compensation, for the period of absence for which he is credited with Pension Accrual Service, equal to the Employee's monthly base rate of compensation in effect immediately before such period; provided, however, that for an Employee whose compensation is based on commissions, the monthly base rate of compensation for this purpose shall be increased by the monthly average of the Employee's commissions for the 12 months immediately preceding such period.

(G) Other Compensation Included. Monthly Compensation shall include the following types of compensation as paid (or granted as described in (II), below), if paid (or granted) effective during the period for which compensation is taken into account under (B) through (F), above:

(I) sales bonuses and commissions paid pursuant to a written commitment of the employer that provides that such amount is included in earnings for pension accrual purposes;

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(II) short-term individual and team-oriented performance incentives, including incentives granted under the Verizon Incentive Plan starting in 2002 (whether or not deferred to a non-qualified plan of the Company or another Affiliate), but excluding Senior Manager Short-Term Incentives for purposes of determining Pay Credits;

(III) the amount of any single sum merit payment made to the Employee in lieu of an annual salary increase;

(IV) temporary assignment pay;

(V) corporate profit sharing annual awards;

(VI) differentials or premiums; and

(VII) back pay, designated by the award as benefits-eligible.

(H) Certain Compensation Credited After Termination. Notwithstanding anything in the foregoing to the contrary, for a participant who is an Employee on the date he terminates employment with all Affiliates, Monthly Compensation shall include amounts paid after the participant's termination of employment if such amounts would otherwise have qualified as Monthly Compensation under this definition had such amounts been paid while the participant was an Employee and such amounts are paid either in the Plan Year in which the participant's termination of employment occurs or in the following Plan Year. For purposes of calculating a participant's Average Annual Compensation, such amounts shall be treated as if paid on the participant's last day as an Employee.

(I) Inclusion of Amounts Deferred. Monthly Compensation shall include any amount that would qualify as such but for the Employee's agreement to defer or forego receipt thereof pursuant to a qualified cash or deferred arrangement described in section 401(k) of the Code, a cafeteria plan described in section 125 of the Code or, a qualified transportation fringe benefit plan described in section 132(f)(4) of the Code.

(J) Exclusions. Monthly Compensation shall not include any form of compensation that is not listed in this definition as included. Forms of compensation that are excluded from Monthly Compensation include, but are not limited to, overtime and performance payments or other types of pay that are identified as excluded from pension earnings.

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(K) Applying Annual Compensation Limit. In addition to other applicable limitations that may be set forth in the Plan and notwithstanding any other contrary provision of the Plan:

(I) for purposes of calculating an Employee's Average Annual Compensation, the sum of the Monthly Compensation taken into account with respect to an Employee for the twelve calendar months in a determination year shall not exceed the Annual Compensation Limit in effect with respect to the Employee for the calendar year in which the determination year begins. If the sum of the Monthly Compensation with respect to an Employee for a determination year would otherwise exceed such Annual Compensation Limit, the Monthly Compensation for each calendar month in the determination year shall be reduced, beginning with the calendar month in which the Employee has the greatest Monthly Compensation, until such Annual Compensation Limit is no longer exceeded. For purposes of this paragraph, the determination years with respect to an Employee shall consist of the consecutive twelve-calendar-month periods that end with the calendar month in which the Employee's employment with the Affiliates terminates, or with the last calendar month of the period over which his Average Annual Compensation is calculated, if earlier.

(II) an Employee's Pay Credits for any Plan Year shall be based on the Employee's Monthly Compensation; provided, however, that aggregate Monthly Compensation taken into account for purposes of determining the Employee's Pay Credits for the Plan Year shall not exceed the Annual Compensation Limit for such Plan Year.

(III) Aggregate Monthly Compensation credited to an Employee's Net Monthly Compensation for any Plan Year shall not exceed the Annual Compensation Limit for such Plan Year.

"Net Credited Service" means the period of employment taken into account as Net Credited Service under Article IV-A.

"Net Monthly Compensation" means, for a Transition-Eligible Employee, the aggregate of the Employee's Monthly Compensation credited after December 31, 2007.

"Normal Retirement Age" means age 65, except that:

(a) in the case of any Employee who was not employed by the Affiliates on or before the last day of the month during which he attained age 60, "Normal Retirement Age" means the fifth anniversary of the date as of which the Employee's participation in the Plan commenced or, the date on which the Employee completes five (5) years of Vesting Service, if earlier; and

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(b) in the case of any Employee who on December 31, 1999, (A) is an Employee actively participating in the Products Plan and has combined age and years of Accredited Service of at least 76 and (B) has at least 15 years of Accredited Service, "Normal Retirement Age" means age 55, provided the Employee has attained at least age 55 on December 31, 1999; and

(c) for a former Enterprises Plan participant or an Employee or former Employee for whom assets and liabilities for benefits have been transferred to the Plan from another qualified plan (as a result of a transfer for the individual participant or merger of such other plan into the Plan), "Normal Retirement Age" shall not occur later than the date on which the participant would have attained normal retirement age under such other plan.

"Normal Retirement Date" means the last day of the month during which an Employee or former Employee attains Normal Retirement Age.

"Original Verizon Entities" means any entities that, on the day before the Change in Control occurred under Article XI-A, constituted Verizon or any corporation or unincorporated entity the majority interest in which was held on that day, directly or indirectly, by Verizon.

"Other Pension Plan" means:

(a) any pension plan or any pension system (other than this Plan),

(b) any payment required to be made by law or regulation on account of termination or separation from employment,

(c) any other similar program, or

(d) any similar plan, system, payment, or program, to the extent that it provides benefits that are attributable to service with a Control Group Affiliate, a GTE Company or an Interchange Company and that result from a transfer of liabilities from this Plan (or any predecessor plan) or any other arrangement described in subsection (a), (b), or (c),

to which a Control Group Affiliate, a GTE Company or, in the case of an arrangement described in subsection (d), any other employer has contributed or does contribute during the continuance of the Plan, either directly or indirectly, but in any case only to the extent that amounts paid thereunder are provided by or are attributable to employer contributions. Notwithstanding the foregoing, the term "Other Pension Plan" shall not include:

(e) a pension paid or payable pursuant to any Federal or State law,

(f) any amount paid or payable pursuant to any applicable law relating to worker's compensation or occupational diseases,

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(g) any deferred compensation or similar payments made directly by the employer on an unfunded basis, or

(h) any other arrangement to the extent that offsetting the benefits otherwise provided under this Plan by the benefits provided under such other arrangement would result in an impermissible forfeiture within the meaning of section 411(a) of the Code.

Nothing in this definition, including subsection (d) hereof, or in its application hereunder shall be deemed to reimpose on the Plan any liability with respect to a liability that has been transferred from the Plan in accordance with Section 11.3, 13.1 or 13.3.

"Paid Hour of Service" means an Hour of Service described in subsection (a) of the definition of Hour of Service in this Article II. For a participant who on December 31, 2001 is (a) a disabled Former GTE Employee earning vesting and accredited service under the Products Plan, (b) a Former GTE Employee on excused absence earning vesting and accredited service under the Products Plan, or (c) a Former Bell Atlantic Employee earning vesting and net credited service under the Enterprises Plan during an excused absence, and who on January 1, 2002 is an Employee, a "Paid Hour of Service" shall include service credited to the Employee with respect to such absence for any period after 2001 pursuant to Article IV-A.

"Pay Credits" means dollar credits, based on the Employee's Monthly Compensation and Pay Credit Percentage, that may be credited on a monthly basis to an Employee's Cash Balance Account as described in Section 6A.1(a)(ii).

"Pay Credit Percentage" means a percentage of an Employee's Monthly Compensation which an Employee may be entitled to have credited to his Cash Balance Account as described in Section 6A.1(a)(ii).

"PBGC" means the Pension Benefit Guaranty Corporation.

"PBGC Immediate Rate" means the interest rate in effect 90 days before the applicable Pension Commencement Date that would be used by the PBGC to value a participant's immediate annuity benefit upon termination of a trusteed single employer plan (or any applicable successor rate designated by the PBGC) or, if the PBGC no longer publishes such a rate and has not designated an applicable successor rate, the successor rate established for similar purposes by the Internal Revenue Service. Notwithstanding the foregoing, if a lump sum amount exceeds $25,000 when determined using the PBGC Immediate Rate as defined in the preceding sentence, the "PBGC Immediate Rate" shall mean 120% of the PBGC Immediate Rate as defined in the preceding sentence, provided that in no event shall the amount of a lump sum determined using the PBGC Immediate Rate as defined in this sentence be less than $25,000.

"Pension" means a Service Pension, a Disability Pension, a Deferred Vested Pension, a Spouse's Pension, a Vested Pension or a Pre-Retirement Death Benefit. Notwithstanding the preceding sentence, for purposes of Sections 6A.5 and 6A.6, the definitions of "Qualified Joint and Survivor Annuity" and "Retirement," and where otherwise appropriate, the term "Pension" shall not include a Spouse's Pension or a

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Pre-Retirement Death Benefit.

"Pension Accrual Service" means the period of employment taken into account as Pension Accrual Service under Article IV-A.

"Pension Commencement Date" means the date as of which a Pension is scheduled to commence in accordance with the provisions of the Plan.

"Pension Fund" means the Trust Fund or Funds, or an arrangement with an insurance company for the funding of Pensions under the Plan, or both.

"Pension Plan Administrator" means the person or entity designated to process and decide claims for benefits under the Plan pursuant to Section 9.13(a).

"Period of Severance" means a continuous period of time following a Separation From Service Date during which the former employee does not complete a Paid Hour of Service.

"Plan" means the Verizon Enterprises Management Pension Plan, as now or previously in effect and as amended from time to time.

"Plan Year" means the calendar year.

"Pop-Up Annuity" means a pop-up joint and survivor annuity described in Section 6A.6(d).

"Post-NRA Distribution" means a Pension payable to a Distribution-Eligible Employee in accordance with Section 5.7 or 5A.3.

"Pre-Retirement Death Benefit" means the payments under the Plan to the Beneficiary of an Employee or former Employee who dies before his Pension Commencement Date payable pursuant to Section 5A.2 and Section 6A.4.

"Prior Plan" means the Enterprises Plan or the Products Plan in which the Employee was previously a participant.

"Products Plan" means the Verizon GTE Products Corporation Plan for Employees' Pensions as in effect on November 30, 2001, and as extended through December 31, 2001 pursuant to Section 6A.11.

"Qualified Domestic Relations Order" means (a) a "qualified domestic relations order" within the meaning of section 206(d) of ERISA, (b) a domestic relations order entered before January 1, 1985, if payment of benefits pursuant to such order had commenced as of such date, and (c) any other domestic relations order entered before January 1, 1985, that the Committee's delegate elects, in its sole discretion, to treat as a Qualified Domestic Relations Order.

"Qualified Joint and Survivor Annuity" means a Joint-Survivor Pension, that is actuarially equivalent to the participant's Accrued Benefit, under which a 50-percent survivor annuity is payable to the participant's Spouse as Beneficiary. Notwithstanding the preceding sentence, if the participant elects in accordance with

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Section 6A.6(a) to receive his Pension in the form of a Joint-Survivor Pension, that is actuarially equivalent to the participant's Accrued Benefit, under which a 66-2/3 percent or 100-percent survivor annuity is payable to the participant's Spouse as Beneficiary, the Joint-Survivor Pension so elected by the participant shall be the Qualified Joint and Survivor Annuity with respect to the participant.

"Required Retirement Date" means the later of an Employee's Normal Retirement Date or the last day of the first month in which the conditions in Section 5.2(a)(i) through (iv) or Section 5A.1(b)(i) through (iv) are satisfied with respect to the Employee.

"Required Starting Date" means April 1 of the calendar year following the calendar year in which the participant attains age 70 1/2.

"Residual Assets" means the assets, if any, of the Pension Fund that remain after all liabilities of the Plan (other than liabilities created by Section 12.2(h)) have been satisfied after termination of the Plan, excluding any such assets that are attributable to participant contributions in accordance with Section 4044 of ERISA and the regulations promulgated thereunder.

"Retire," "Retired," or "Retirement" means either (a) the termination of an Employee's employment with the Affiliates under such circumstances that he is entitled to receive a Pension, except that an Employee who defers payment of his Pension shall be deemed to Retire on the last day of the month immediately preceding his Pension Commencement Date, or (b) the circumstances under which an Employee who was enrolled in and met the disability requirements of the LTD Plan in accordance with the provisions of Sections 4.2(d) and 4.6(d) or Sections 4A.1(d), 4A.2(d), and 4A.3(e) is thereafter entitled to receive a Pension; provided that in the case of an Employee who attains Normal Retirement Age on account of subsection (b) of the definition of Normal Retirement Age, "Retire," "Retired," and "Retirement" means the foregoing circumstances determined without regard to whether the Employee has terminated employment with the Affiliates.

"Retired Employee" means a former Employee who is receiving a Pension under the Plan; provided that in the case of an Employee who becomes entitled to receive a Pension under the Plan on account of attaining Normal Retirement Age as defined in subsection (b) of the definition of Normal Retirement Age, whether an Employee is a "Retired Employee" shall be determined without regard to whether the Employee has terminated employment with the Affiliates.

"Retirement Date" means the date on which an Employee actually Retires or is Retired pursuant to the terms of the Plan.

"Schedule" means a schedule appearing at the end of this Plan.

"Section" means a section of this Plan.

"Separation From Service Date" means the earlier of:

(a) the date on which an Employee terminates employment with all Affiliates including, without limitation, by reason of retirement, resignation,

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death or other termination of employment; or

(b) the first anniversary of the date on which the Employee is absent from the employ, or ceases to render active service as an employee of the Affiliates for any other reason.

Notwithstanding the above:

(i) any period of sickness or accident disability benefits under a short-term disability plan shall, for purposes of this definition, be considered active service and not absence from employment, unless and until the Employee resigns, retires, dies or is otherwise terminated from employment;

(ii) any period of disability during which service is credited under Section 4A.1(d) shall be considered active service and not absence from employment;

(iii) if the Employee is on a military leave of absence under leave granted by the Company or another Affiliate or required by law, the Employee shall not be considered to have had a Separation From Service Date to the extent required pursuant to Section 14.9; or

(iv) if the Employee is on a leave of absence of more than 12 months under a uniformly available leave of absence program of an Affiliate, the Employee shall not be considered to have had a Separation From Service Date to the extent provided by such leave policy.

"Service Pension" means the payments under Article VI, by reason of an Employee's age and Accredited Service, to a Retired Employee for life, but does not include a Disability Pension or a Deferred Vested Pension.

"Social Security Integration Level" means, as to the calendar year in which an Employee Retires or otherwise terminates employment, the average annual wages (rounded to the next lower multiple of $100) with respect to which primary benefits would be provided under the Social Security Act for a male worker attaining age 65 in such calendar year, computed as though for each year before such calendar year the annual wages were equal to the maximum amount of the taxable wages under the Social Security Act; provided that (a) in the case of a participant or Beneficiary who is receiving benefits under the Plan, or (b) in the case of a participant who is separated from service and has nonforfeitable rights to benefits, such benefits are not decreased by reason of any increase in the benefit level payable under Title II of the Social Security Act or any increase in the wage base under such Title II, if such increase takes place after September 2, 1974, or (if later) the earlier of the date of the first receipt of such benefits or the date of such separation, as the case may be.

"Spouse" means the person to whom an Employee or former Employee is married on his date of death or his Pension Commencement Date, whichever occurs first. The term "Spouse" also shall include a former spouse of an Employee or former Employee to the extent required by a Qualified Domestic Relations Order.

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"Spouse's Pension" means the payments under the Plan for life to the Spouse of an Employee or former Employee who dies before his Pension Commencement Date payable pursuant to Section 5.6 and Section 6.4.

"Table" means one of the alphabetically denominated tables set forth in the Compendium of Plan Factors that is maintained by the Employee Benefits Committee and which is hereby incorporated into and made a part of the Plan. Unless otherwise specified, the Tables that apply for purposes of the main text of the Plan and the Schedules hereto shall be determined in accordance with Exhibit A.

"Transition-Eligible Employee" means an individual who is an Employee (other than an Excluded Employee) at any time on or after January 1, 2002 and who is either (a) a Former GTE Employee who is credited with 10 or more years of Accredited Service under the terms of the Products Plan as of January 1, 2002, or (b) a Former Bell Atlantic Employee who is credited with 10 or more years of Net Credited Service under the terms of the Enterprises Plan as of January 1, 2002. For purposes of determining whether an Employee is a Transition-Eligible Employee, service for periods of employment prior to January 1, 2002 that is added to a participant's Accredited Service or Net Credited Service through a plan amendment that is adopted after January 1, 2002 shall not be taken into account.

"Trust Agreement" means the trust agreement under the Plan between the Company or any other Affiliate and any Trustee at any time acting thereunder.

"Trust Fund" means any fund held under a Trust Agreement.

"Trustee" means the trustee under a Trust Agreement.

"Verizon" means Verizon Communications Inc. or any successor.

"Vesting Service" means the period of employment taken into account as Vesting Service under Article IV or Article IV-A, as appropriate.

"Vested Pension" means the payments under the Plan to an Employee who is eligible by reason of age and/or Vesting Service, pursuant to Sections 5A.1 and 6A.2.

"Unconverted Annuity Benefit" means a pension benefit that has not been converted to an opening balance in a Cash Balance Account, including:

(a) an "unconverted annuity pension benefit" (other than the benefit derived from the modified former pension formula) originating in the Enterprises Plan that is held for a participant under the Plan as of December 31, 2001;

(b) a pension benefit transferred to the Plan pursuant to Section 13.1 on or after January 1, 2002 in a form other than a cash balance account from another defined benefit plan maintained by an Affiliate;

(c) a pension benefit that a rehired Former Bell Atlantic Employee or Former GTE Employee accrued under a Prior Plan during one or more periods

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of service that ended before the applicable cash balance conversion date, which has not previously been paid in full to the Employee (including any non-vested benefit deemed to be cashed-out under Section 7.6 but which was restored upon rehire) or, if such benefit was earned under the Enterprises Plan, which has not previously been forfeited under the terms of the Enterprises Plan; or

(d) a pension benefit transferred to the Plan pursuant to Section 13.3 on or after January 1, 2002 in a form other than a cash balance account from an Interchange Company Pension Plan.

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ARTICLE III

PARTICIPATION

3.1 General Rule. Any individual who is an Employee on or after January 1, 2002 shall become a participant in the Plan on the first day he qualifies as an Employee under Article II.

3.2 Participation Required for Pension. Except as otherwise provided in the Plan, no Pension shall be payable under the Plan except with respect to an individual who has become a participant in the Plan pursuant to this Article III.

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ARTICLE IV-A

COMPUTATION OF VESTING SERVICE, NET CREDITED SERVICE, AND PENSION ACCRUAL SERVICE (FOR OTHER THAN EXCLUDED EMPLOYEES)

THE PROVISIONS OF THIS ARTICLE IV-A APPLY FOR PURPOSES OF DETERMINING VESTING SERVICE, NET CREDITED SERVICE, PENSION ACCRUAL SERVICE AND ACCREDITED SERVICE FOR PARTICIPANTS, OTHER THAN EXCLUDED EMPLOYEES, WHO COMPLETE A PAID HOUR OF SERVICE AT ANY TIME AFTER DECEMBER 31, 2001. (FORMER EMPLOYEES WHO ARE CREDITED, PURSUANT TO A SCHEDULE OR OTHER PLAN PROVISION, WITH SERVICE FOR EMPLOYMENT AFTER 2001 WITH A COMPANY THAT IS NOT AN AFFILIATE (E.G., BALTIMORE TECHNOLOGIES EMPLOYMENT DESCRIBED IN SCHEDULE III) SHALL NOT COMPLETE A PAID HOUR OF SERVICE BY REASON OF SUCH CREDIT.)

4A.1 Vesting Service. Subject to Section 4A.5 and Section 13.1(a)(v), for a participant (other than an Excluded Employee) who completes a Paid Hour of Service after December 31, 2001, including a participant who is not an employee on January 1, 2002 but is rehired thereafter, Vesting Service shall equal the sum of:

(a) Service Before 2002. The years and partial years of (i) Vesting Service credited to the participant under the Products Plan as of December 31, 2001 (or, for a rehired participant, his earlier termination date), and/or (ii) "ERISA Service" credited to the participant under the Enterprises Plan as of December 31, 2001 (or, for a rehired participant, his earlier termination date) determined, in the case of a participant who is an Employee on January 1, 2002, as if any service bridging waiting period which the Employee was in the process of completing on December 31, 2001 had been completed;

(b) Service After 2001. The participant's years and partial years of service with the Company or another Affiliate in the period beginning on (i) for a Former GTE Employee or a Former Bell Atlantic Employee who is an Employee on January 1, 2002, January 1, 2002, (ii) for a Former GTE Employee or Former Bell Atlantic Employee who is not an Employee on January 1, 2002, the first day he completes a Paid Hour of Service on or after January 1, 2002, or (iii) for any other participant, the participant's Employment Commencement Date, and ending on his most recent Separation From Service Date disregarding any Period of Severance exceeding twelve (12) months;

(c) Prior Employer Service. The participant's years and partial years of service with any other employer when specifically approved for Vesting Service purposes by the Board or an amendment to the Plan pursuant to Section 11.2 or when required to be credited pursuant to the mandatory portability rules described in Section 13.3 or pursuant to any Schedule, to the extent not otherwise credited under this Section; and

(d) Imputing Service During Disability. In the case of an Employee who was enrolled in and met the eligibility and disability requirements of the LTD Plan and who has not elected a Pension Commencement Date, the period of years and partial years commencing with the beginning of the disability covered by the LTD Plan or January 1, 2002, if later, and ending when benefits under the LTD Plan cease or his Pension Commencement Date, if earlier.

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For purposes of subsections (b) through (d), full and partial years of Vesting Service credited for the periods described in those subsections shall be computed under the elapsed time method, based on records maintained by the Company and any other Affiliates, using a uniform and consistent approach that the Committee determines to be appropriate and lawful. Notwithstanding anything in this Section 4A.1 to the contrary, for a Former GTE Employee who on January 1, 2002 both (i) is an employee of the Company or another Affiliate, and (ii) is credited with at least two (2) years of Vesting Service, but less than five (5) years of Vesting Service, under the Products Plan, Vesting Service shall be determined under the rules described in Article IV through December 31, 2004, if the Employee would be credited with more years of Vesting Service as a result.

4A.2 Net Credited Service. Subject to Section 4A.5 and Section 13.1(a)(v), for a participant (other than an Excluded Employee) who completes a Paid Hour of Service after December 31, 2001, including a participant who is not an employee on January 1, 2002 but is rehired thereafter, Net Credited Service shall equal the sum of:

(a) Service Before 2002. The years and partial years of (i) Accredited Service credited to the participant under the Products Plan as of December 31, 2001 (or, for a rehired participant, his earlier termination date), including any service credited under any Schedule or other provision for purposes of determining the participant's eligibility for a service pension, and/or (ii) "net credited service" credited to the participant under the Enterprises Plan as of December 31, 2001 (or, for a rehired participant, his earlier termination date), determined, in the case of a participant who is an Employee on January 1, 2002, as if any service bridging waiting period which the Employee was in the process of completing on December 31, 2001 had been completed;

(b) Service After 2001. The participant's years and partial years of service with the Company or another Affiliate in the period beginning on (i) for a Former GTE Employee or a Former Bell Atlantic Employee who is an Employee on January 1, 2002, January 1, 2002, (ii) for a Former GTE Employee or Former Bell Atlantic Employee who is not an Employee on January 1, 2002, the first day he completes a Paid Hour of Service on or after January 1, 2002, or (iii) for any other participant, the participant's Employment Commencement Date, and ending on his most recent Separation From Service Date disregarding any Period of Severance exceeding twelve (12) months;

(c) Prior Employer Service. The participant's years and partial years of service with any other employer when specifically approved for Net Credited Service purposes by the Board or an amendment to the Plan pursuant to Section 11.2 or when required to be credited pursuant to the mandatory portability rules described in Section 13.3 or pursuant to any Schedule, to the extent not otherwise credited under this Section; and

(d) Imputing Service During Disability. In the case of an Employee who was enrolled in and met the eligibility and disability requirements of the LTD Plan and who has not elected a Pension Commencement Date, the period of years and partial years commencing with the beginning of the disability covered by the LTD Plan or January 1, 2002, if later, and ending when benefits under the LTD Plan cease or his Pension Commencement Date, if earlier.

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For purposes of subsections (b) through (d), full and partial years of Net Credited Service credited for the periods described in those subsections shall be computed under the elapsed time method, based on records maintained by the Company and any other Affiliates, using a uniform and consistent approach that the Committee determines to be appropriate and lawful. Notwithstanding anything in this Section 4A.2 to the contrary, for a Former GTE Employee, years and partial years of Net Credited Service credited to the Employee for any period of service after December 31, 2001 and before June 1, 2004 shall not be less than the years and partial years of Accredited Service that would have been credited to the Employee for such period under Article IV if such rules had been in effect through May 31, 2004.

4A.3 Pension Accrual Service. Subject to Section 4A.4, Section 4A.5, Section 5.7, Section 5A.3 and Section 13.1, for a participant who is a Transition-Eligible Employee who completes a Paid Hour of Service after December 31, 2001, including a participant who is not an employee on January 1, 2002 but is rehired thereafter, Pension Accrual Service shall equal the sum of:

(a) Service with GTE Before 2002. The years and partial years of Accredited Service credited to the participant under the Products Plan as of December 31, 2001 (or, for a rehired participant, his earlier termination date), determined, in the case of a participant who is an Employee on January 1, 2002, as if any service bridging waiting period which the Employee was in the process of completing on December 31, 2001 had been completed, but excluding (i) for any participant who has taken an in-service distribution pursuant to Section 5A.3 or 5.7 (or a similar provision in the Products Plan), Accredited Service earned before the calendar year in which the in-service distribution occurred, and (ii) any Accredited Service credited solely for Pension eligibility purposes;

(b) Service with Bell Atlantic Before 2002. The years and partial years of "net credited service" credited to the participant under the Enterprises Plan as of December 31, 2001 (or, for a rehired participant, his earlier termination date), determined, in the case of a participant who is an Employee on January 1, 2002, as if any service bridging waiting period which the Employee was in the process of completing on December 31, 2001 had been completed, but excluding (i) the participant's periods of service before January 1, 2002 with a Bell Atlantic Company that did not participate in the company pension plan, and (ii) any Net Credited Service credited solely for purposes of determining retirement eligibility;

(c) Service After 2001. The participant's years and partial years of service with the Company or another Affiliate in the period beginning on (i) for a Former GTE Employee or a Former Bell Atlantic Employee who is an Employee on January 1, 2002, January 1, 2002, (ii) for a Former GTE Employee or Former Bell Atlantic Employee who is not an Employee on January 1, 2002, the first day he completes a Paid Hour of Service on or after January 1, 2002, or (iii) for any other participant, the participant's Employment Commencement Date, and ending on his most recent Separation From Service Date disregarding any Period of Severance (regardless of the length) and any period during which the participant is not an Employee (except as provided in (d), (e), (f) or (g), below);

(d) Prior Employer Service. The participant's years and partial years of service with any other employer when specifically approved for Pension Accrual Service

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purposes by the Board or an amendment to the Plan pursuant to Section 11.2 or when required to be credited pursuant to the mandatory portability rules described in Section 13.3 or pursuant to any Schedule, to the extent not otherwise credited under this Section;

(e) Imputing Service During Disability. In the case of an Employee who was enrolled in and met the eligibility and disability requirements of the LTD Plan and who has not elected a Pension Commencement Date, the period of years and partial years commencing with the beginning of the disability covered by the LTD Plan or January 1, 2002, if later, and ending when benefits under the LTD Plan cease or his Pension Commencement Date, if earlier;

(f) Service Associated with Transferred Benefit. The participant's years and partial years of service with the Company or another Affiliate when he was not an Employee, during which the participant accrued pension benefits under a plan maintained by such Company or Affiliate the assets and liabilities for which have been transferred to the Plan pursuant to Section 13.1; and

(g) Service Following Transfer to Non-Participating Affiliate. For a Former GTE Employee, the participant's years and partial years of service with a Control Group Affiliate occurring after January 1, 2002 and before June 1, 2004 and after his status as an Employee ends, to the extent not otherwise credited under subsections (a) through (f), above.

For purposes of subsections (c) through (g), full and partial years of Pension Accrual Service credited for the periods described in those subsections shall be computed under the elapsed time method, based on records maintained by the Company and any other Affiliates, using a uniform and consistent approach that the Committee determines to be appropriate and lawful. Notwithstanding anything in this Section 4A.3 to the contrary, (i) for a Transition-Eligible Employee who is a Former GTE Employee, years and partial years of Pension Accrual Service credited to the Employee for any period of service after December 31, 2001 and before June 1, 2004 shall not be less than the years and partial years of Accredited Service that would have been credited to the Employee for benefit accrual purposes for such period under Article IV if such rules had been in effect through May 31, 2004, and (ii) no Pension Accrual Service shall be credited to a participant who is not a Transition-Eligible Employee, except for the purpose described in Section 4A.4.

4A.4 Accredited Service. Notwithstanding anything in Section 4A.3 to the contrary, for a Former GTE Employee (other than an Excluded Employee) who completes a Paid Hour of Service after December 31, 2001, Pension Accrual Service shall be calculated as described in Section 4A.3, above, and shall be used in place of Accredited Service for purposes of applying the benefit formula described in Section 6A.1(c)(i) through May 31, 2004.

4A.5 Special Rules. Notwithstanding anything in this Article IV-A to the contrary:

(a) No Service Credited Due to Reclassification. In no event shall Net Credited Service or Pension Accrual Service as determined under this Article include any period of an individual's employment during which the individual is not classified by the Company or another Affiliate as a common-law employee of the Company or Affiliate, regardless of any subsequent reclassification of such individual as a

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"common-law" employee of the Company or another Affiliate by the Company, Affiliate, any governmental agency, or any court.

(b) Certain Service Credits Disregarded at Rehire. In no event shall any years added to a participant's service under the terms of an early retirement window or other pension enhancement program under the Plan or a Prior Plan be taken into account in determining the participant's service under this Article IV-A upon the participant's rehire.

(c) Amendments to Provide Full Vesting. An Authorized Individual, acting in a settlor capacity, is authorized to execute a written amendment to the Plan to provide that certain Employees who terminate employment with the Affiliates on account of a corporate transaction shall be fully vested in their Accrued Benefits under the Plan upon such termination of employment. Such Employees shall be fully vested in their Accrued Benefits under the Plan upon termination of employment without a written Plan amendment, if such vesting is required by the provisions of the sale or other agreement effecting such transaction.

(d) No Duplication of Service Credits. In no event shall any period of service be credited twice for the same purpose under this Article IV-A.

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ARTICLE IV

COMPUTATION OF VESTING SERVICE AND ACCREDITED SERVICE (FOR EXCLUDED EMPLOYEES)

THE PROVISIONS OF THIS ARTICLE IV APPLY FOR PURPOSES OF DETERMINING VESTING SERVICE AND ACCREDITED SERVICE FOR PARTICIPANTS WHO ARE EXCLUDED EMPLOYEES.

4.1 Pre-2002 Vesting Service. For an Excluded Employee, Vesting Service, with respect to any period of employment with an Affiliate prior to January 1, 2002, shall equal the Vesting Service credited to such Employee for such period under the Products Plan.

4.2 Post-2001 Vesting Service. For an Excluded Employee, Vesting Service, in respect of any period of employment with an Affiliate after December 31, 2001, shall consist, without duplication, of the aggregate of the following:

(a) active employment with the Company and any excused absence time specifically approved for Vesting Service purposes in accordance with Company policy in effect from time to time;

(b) active employment with any other Affiliate;

(c) active employment with any other employer when specifically approved for Vesting Service purposes by the Board or an amendment to the Plan pursuant to Section 11.2; and

(d) in the case of an Employee who was enrolled in and met the eligibility and disability requirements of the LTD Plan and who has not been Retired on a Disability Pension, the period of time (i) commencing with the beginning of the Disability covered by the LTD Plan and (ii) ending when the benefits under the LTD Plan cease, with his rate of compensation immediately prior to his Disability being deemed to continue during such period for the purpose of computing Average Annual Compensation.

Except as provided in subsection (d) of this Section 4.2, a full year of Vesting Service shall be included in the employee's aggregate of Vesting Service with respect to any calendar year in which he has been credited with not less than 1000 Hours of Service. In the case of an Employee who, in a calendar year, is credited with less than 1000 Hours of Service, the Employee shall accrue a fraction of a year of Vesting Service (not in excess of one (1)), where the numerator of the fraction is the number of Hours of Service credited to the Employee during such year and the denominator is the Customary Work Year. An employee shall be credited, in accordance with 29 C.F.R. ss. 2530.200b-3(e)(1)(ii) & (e)(4), with 45 Hours of Service for each week for which he would be required to be credited with at least one "hour of service" under 29 C.F.R. ss. 2530.200b-2. In the case of a week that begins in one computation period and ends in a second computation period, all Hours of Service credited for such week shall be credited to both computation periods. In the case of payments to an employee calculated on the basis of a unit of time greater than one week, the employee shall be credited, in accordance with 29 C.F.R. ss. 2530.200b-3(e)(6), with 45 Hours of Service for each week that, in the course of the employee's regular work schedule, would be included in such greater unit of time.

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4.3 Break in Vesting Service. For an Excluded Employee:

(a) Except as provided in Section 4.2(d), Vesting Service shall be broken in any calendar year in which an employee who has not been credited with more than 500 Hours of Service ceases to be an employee of the Affiliates.

(b) Solely for purposes of determining under subsection (a), above, whether an employee has been credited with more than 500 Hours of Service during a calendar year, up to 501 of the Hours of Service that would otherwise normally have been credited to the employee during the calendar year but for the fact that the employee was absent from work (i) by reason of the employee's pregnancy, (ii) by reason of the birth of the employee's child, (iii) by reason of the placement of a child with such employee in connection with an adoption of such child by the employee, or (iv) for purposes of caring for a child for a period beginning immediately following birth or placement, shall be credited as Hours of Service. If the employee would have been credited with more than 500 Hours of Service during the calendar year notwithstanding the immediately preceding sentence, such Hours of Service shall be credited to the succeeding calendar year. Notwithstanding Section 4.7, this subsection (b) shall not apply for purposes of determining whether an employee's Accredited Service has been broken.

4.4 Reemployment After Break in Vesting Service. For an Excluded Employee, when an employee's Vesting Service is broken, and he thereafter is reemployed by an employer described in Section 4.2 and accumulates 1000 Hours of Service constituting Vesting Service during the period that begins on the date he is reemployed and that ends on the date his Vesting Service is next broken, then the break in the employee's employment shall be bridged, and there shall be added to the Vesting Service that has accumulated since his reemployment the aggregate of all previous periods of Vesting Service that the employee had prior to the break, provided that the employee had at least one year of Vesting Service preceding the break in service. If the Employee accumulates 1000 Hours of Service constituting Vesting Service during the period that begins on the date he is reemployed and that ends on the date his Vesting Service is next broken, that fact shall be taken into account as provided in the preceding sentence solely for purposes of bridging the break in his employment.

4.5 Pre-2002 Accredited Service. For an Excluded Employee, Accredited Service, in respect of any period of employment with an Affiliate prior to January 1, 2002, shall be determined under the terms of the Products Plan.

4.6 Post-2001 Accredited Service. For an Excluded Employee, Accredited Service, in respect of any period of employment after December 31, 2001, shall consist, without duplication, of the aggregate of the following:

(a) active employment with the Company and any excused absence time specifically approved for Accredited Service purposes in accordance with Company policy in effect from time to time;

(b) active employment with a Control Group Affiliate other than the Company;

(c) active employment with any other employer when specifically approved for

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Accredited Service purposes by the Board or an amendment to the Plan pursuant to Section 11.2; and

(d) in the case of an Employee who was enrolled in and met the eligibility and disability requirements of the LTD Plan and who has not been Retired on a Disability Pension, the period of time (i) commencing with the beginning of the Disability covered by the LTD Plan and (ii) ending when the benefits under the LTD Plan cease, with his rate of compensation immediately prior to his Disability being deemed to continue during such period for the purpose of computing Average Annual Compensation.

Except as provided in subsection (d) of this Section 4.6, a full year of Accredited Service shall be added to the Employee's aggregate Accredited Service for any calendar year in which he has been credited with not less than the Customary Work Year. In the case of an Employee who, in a calendar year, is credited with less than the Customary Work Year, the Employee shall accrue a fraction of a year of Accredited Service (not in excess of one (1)), where the numerator of the fraction is the number of Hours of Service credited to the Employee during such year and the denominator is the Customary Work Year. An employee shall be credited, in accordance with 29 C.F.R. ss. 2530.200b-3(e)(1)(ii) & (e)(4), with 45 Hours of Service for each week for which he would be required to be credited with at least one "hour of service" under 29 C.F.R. ss. 2530.200b-2. In the case of a week that begins in one computation period and ends in a second computation period, all Hours of Service credited for such week shall be credited to both computation periods. In the case of payments to an employee calculated on the basis of a unit of time greater than one week, the employee shall be credited, in accordance with 29 C.F.R. ss. 2530.200b-3(e)(6), with 45 Hours of Service for each week that, in the course of the employee's regular work schedule, would be included in such greater unit of time. If the compensation (if any) used to determine an Employee's accrued benefit under any benefit formula in the Plan is so defined as to cause application of the preceding sentence otherwise to violate the prohibition against double proration in 29 C.F.R. ss. 2530.204-2(d), then the Employee's compensation under such definition for any calendar year during which he is credited with less than the Customary Work Year shall be adjusted by multiplying his compensation under such definition for the calendar year by a fraction, the numerator of which is the Customary Work Year, and the denominator of which is the number of Hours of Service credited to the Employee during such year. Notwithstanding the foregoing, Accredited Service shall not include any period of an individual's employment during which the individual is not classified by the Company or an Affiliate as a common-law employee of the Company or an Affiliate, regardless of any subsequent reclassification of such individual as a "common-law" employee of the Company or an Affiliate by the Company, an Affiliate, any governmental agency, or any court.

4.7 Break in Accredited Service. For an Excluded Employee, Accredited Service shall be broken in any calendar year in which the Employee has a break in Vesting Service pursuant to Section 4.3(a).

4.8 Reemployment After Break in Accredited Service. For an Excluded Employee:

(a) When an employee's Accredited Service is broken, and he thereafter is reemployed by an employer described in Section 4.2 and accumulates 1000 Hours of Service constituting Vesting Service during the period that begins on the date he is reemployed and that ends on the date his Vesting and Accredited Service are next

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broken, then the break in the employee's employment shall be bridged, and he shall be credited with the aggregate of all periods of Accredited Service that he had prior to the break, provided that the employee had at least one year of Vesting Service preceding the break in service. If the Employee accumulates 1000 Hours of Service constituting Vesting Service during the period that begins on the date he is reemployed and that ends on the date his Vesting Service is next broken, that fact shall be taken into account as provided in the preceding sentence solely for purposes of bridging the break in his employment.

(b) Notwithstanding subsection (a), above, if the Employee is a "Special Retiree" as that term is defined in an enhanced (or incentive) early retirement program under a Prior Plan, the Plan, or any other pension plan sponsored by an Affiliate (a "Program"), and he is reemployed by an employer described in Section 4.2 after his "Qualified Retirement Date" (as that term is defined in the Program), then the Accredited Service with which he is credited under this Article IV in respect of the period preceding his Qualified Retirement Date shall be the Accredited Service with which he would have been credited pursuant to this Article IV excluding the provisions of the Program, as if he had terminated his employment on his Qualified Retirement Date but had not elected to Retire under the Program; provided that, upon his Retirement following his reemployment, the periodic amount of his Pension shall be not less than the periodic amount of the Pension payable in the same form to which he was entitled in accordance with the provisions of the Plan, including the provisions of the Program, when he Retired under the Program.

4.9 Calculation of Benefits Following Bridging of Accredited Service. For an Excluded Employee, upon Retirement or separation from service following the bridging of a break in Accredited Service pursuant to Section 4.8, the Employee's Pension shall be based on his Average Annual Compensation and Accredited Service before and after the break.

4.10 Special Vesting for Certain Divestitures. The Executive Vice-President--Human Resources & Administration of Verizon Corporate Services Group Inc. or his delegate, acting in a settlor capacity, is authorized to execute a written amendment to the Plan to provide that certain Employees who terminate employment with the Affiliates on account of a corporate transaction shall be fully vested in their Accrued Benefits under the Plan upon such termination of employment.

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ARTICLE V-A

ELIGIBILITY FOR PENSION (FOR OTHER THAN EXCLUDED EMPLOYEES)

THE PROVISIONS OF THIS ARTICLE V-A APPLY FOR PURPOSES OF DETERMINING PENSION ELIGIBILITY FOR PARTICIPANTS, OTHER THAN EXCLUDED EMPLOYEES, WHO COMPLETE A PAID HOUR OF SERVICE AT ANY TIME ON OR AFTER JANUARY 1, 2002. (FORMER EMPLOYEES WHO ARE CREDITED, PURSUANT TO A SCHEDULE OR OTHER PLAN PROVISION, WITH SERVICE FOR EMPLOYMENT AFTER 2001 WITH A COMPANY THAT IS NOT AN AFFILIATE (E.G., BALTIMORE TECHNOLOGIES EMPLOYMENT DESCRIBED IN SCHEDULE III) SHALL NOT COMPLETE A PAID HOUR OF SERVICE BY REASON OF SUCH CREDIT.)

5A.1 Vested Pension. With respect to participants, other than Excluded Employees, who complete a Paid Hour of Service at any time on or after January 1, 2002:

(a) Eligibility for Vested Pension. Any Employee who attains Normal Retirement Age while employed by the Affiliates or who is credited with 5 or more years of Vesting Service shall have the right to payment of a fully vested and nonforfeitable Vested Pension. The normal commencement date of the Vested Pension shall be the first day of the month next following the Employee's Normal Retirement Date, or the first day of the month following his termination of employment with all Affiliates, if later. However, such former Employee may elect, in accordance with and subject to Section 7.8, to have his Vested Pension commence prior to his Normal Retirement Date on the first day of any month following the date of his termination of employment.

(b) Required Retirement. An Employee to whom this subsection (b) applies shall be required by the Company to terminate his employment with the Company on his Required Retirement Date and shall be entitled on such date to a fully vested and nonforfeitable Vested Pension. This subsection (b) shall apply to any Employee who:

(i) is a participant in the Plan;

(ii) has attained Normal Retirement Age (determined without regard to subsection (b) of the definition of Normal Retirement Age);

(iii) for the 2-year period immediately before his Retirement pursuant to this Section 5A.1(b), is employed in a bona-fide executive or a high policymaking position; and

(iv) is entitled to an immediate nonforfeitable annual retirement benefit of at least $44,000, when calculated as a straight life annuity with no ancillary benefits.

Section 12(c) of ADEA and the regulations thereunder shall apply in determining whether the foregoing conditions are satisfied. For purposes of paragraph (iv), above, there shall be taken into account retirement benefits from pension, profit-sharing, savings, or deferred compensation plans, or any combination of such plans, sponsored by one or more Affiliates, including, without limitation, any lump sum payments from such plans with which it is possible to purchase a straight life annuity and the Employee's Accrued Benefit under this Plan. For purposes of paragraph (iv), above,

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there shall not be taken into account retirement benefits derived from employee contributions or retirement benefits derived from rollover contributions from retirement arrangements not sponsored by an Affiliate.

(c) Certain Written Agreements. Notwithstanding subsection (b), above, to the extent that the terms of a written agreement between an Employee and the Company entered into on or before March 14, 1991, expressly permit the Employee to remain employed by the Company after the Employee's Required Retirement Date, the Employee shall not be required to terminate his employment with the Company on the Employee's Required Retirement Date, but such Employee shall be required to terminate his employment with the Company on the earliest date, following the Employee's Required Retirement Date, provided for under such agreement.

(d) Crediting of Service for Required Retirements. The requirement that an Employee terminate his employment with the Company in accordance with subsection (b) or (c), above, whichever is applicable, shall not deprive the Employee of any Accredited Service, Net Credited Service or Pension Accrual Service to which the Employee is otherwise entitled under the Plan, regardless of whether such service extends beyond the Employee's Required Retirement Date (or such later date as may apply to the Employee in accordance with subsection (c)).

5A.2 Pre-Retirement Death Benefits. A Pre-Retirement Death Benefit shall be payable to the Beneficiary of a participant (other than an Excluded Employee) who completes a Paid Hour of Service at any time after December 31, 2001 and who dies before his Pension Commencement Date without having in effect a valid waiver of the Pre-Retirement Death Benefit under Section 6A.5(b), if the participant had earned a nonforfeitable right to a Pension. No Pre-Retirement Death Benefit shall be payable to the Beneficiary of a participant who dies before his Pension Commencement Date either without having earned a nonforfeitable right to a Pension or while having in effect a valid waiver of the Pre-Retirement Death Benefit under Section 6A.5(b). Except as otherwise provided in the Plan, whether a participant has earned a nonforfeitable right to a Pension shall be determined in accordance with Section 5A.1(a).

5A.3 Post-NRA Distribution.

(a) Subject to the provisions of subsections (b), (c), and (d), below, each Distribution-Eligible Employee (other than an Excluded Employee) who completes a Paid Hour of Service after December 31, 2001 may elect to receive a Vested Pension commencing as of any March 1, based on the terms of the Plan or the Products Plan, as appropriate, and the Distribution-Eligible Employee's Accredited Service, Net Credited Service, Pension Accrual Service, Average Annual Compensation, and Cash Balance Account, as appropriate, as of the immediately preceding December 31; provided that a Distribution-Eligible Employee may receive no more than one Post-NRA Distribution pursuant to this Section 5A.3 and Section 5.7 (and any similar provision in the Products Plan).

(b) If a Distribution-Eligible Employee receives a Post-NRA Distribution pursuant to this Section 5A.3, the amount of any additional Pension payable upon the Distribution-Eligible Employee's subsequent termination of employment with the Affiliates shall be determined in accordance with the following rules:

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(i) Subject to paragraph (ii), below, the amount of the additional Pension shall be determined under the generally applicable provisions of the Plan (determined without regard to this Section 5A.3).

(ii) For purposes of paragraph (i), above, (A) the Distribution-Eligible Employee's Accredited Service or Pension Accrual Service, as applicable, shall be determined solely by reference to such service earned after the December 31 as of which his service is determined for purposes of subsection (a), above, (B) the Distribution-Eligible Employee's Average Annual Compensation shall be determined by reference to all of the Distribution-Eligible Employee's Monthly Compensation, regardless of whether it was paid for the period before or after the December 31 as of which his Average Annual Compensation was determined for purposes of subsection (a), above, and (C) the Distribution-Eligible Employee's Cash Balance Account shall be determined based on Pay Credits and Interest Credits made after the December 31 as of which his Cash Balance Account was determined for purposes of subsection (a), above.

(c) A Distribution-Eligible Employee who wishes to elect a Post-NRA Distribution must elect such a distribution, in a form and manner acceptable to the Committee, during the period established by the Committee for this purpose from time to time in its sole discretion.

(d) Subject to the requirements of Section 6A.5, a Distribution-Eligible Employee may elect to receive his distribution pursuant to this Section 5A.3 in either the automatic form of payment described in Section 6A.5 or in any of the optional forms of payment described in Section 6A.6; provided that in determining the amount of any lump-sum distribution under Section 6A.6(b)(i) for purposes of this subsection (d), the applicable interest rate assumption applied to determine the lump sum value of the Employee's benefit derived from any non-cash balance formula shall be based on the otherwise applicable rate that is effective for a Pension Commencement Date of January 1 or March 1 of the year in which the distribution is made, whichever produces the larger lump-sum distribution. If a Distribution-Eligible Employee who receives a distribution pursuant to this Section 5A.3 subsequently becomes entitled to receive an additional Pension upon termination of employment with the Affiliates in accordance with subsection (b), above, the form of such additional Pension shall be governed by the generally applicable provisions of the Plan, as if the Distribution-Eligible Employee were then first Retiring.

5A.4 Disability Pension. Any Employee (other than an Excluded Employee) who completes a Paid Hour of Service after December 31, 2001 and who has 15 or more years of Net Credited Service shall be entitled to a Disability Pension if he becomes Disabled. The normal Pension Commencement Date of the Disability Pension shall be the first day of the month next following the Employee's Normal Retirement Date. However, the Employee may elect, in accordance with Section 7.8, to have the Disability Pension commence as of the first day of any month preceding his Normal Retirement Date.

5A.5 Eligibility for Retiree Medical and Welfare Benefits. To the extent that eligibility for benefits under the Company's management retiree medical and welfare benefits plan on or after January 1, 2002 is based on "service

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pension" eligibility, an Employee who terminates employment with all Affiliates on or after January 1, 2002 shall be "service pension" eligible if he satisfies one of the following:

(a) The Employee terminates employment with all Affiliates on or after the date he attains Normal Retirement Age;

(b) The Employee has at least 15 years of Net Credited Service and the Employee's combined years and completed months of age and years and partial years of Net Credited Service, as determined based on records maintained by the Company and its Affiliates, total 75 or more years as of the date the Employee terminates employment with all Affiliates.

(c) The Employee has 15 or more years of Net Credited Service, his employment with all Affiliates was terminated by his employer for any reason other than age or cause before he attained Normal Retirement Age and his years and completed months of age combined with his years and partial years of Net Credited Service, as determined based on records maintained by the Company and any other Affiliates, on the date of his termination of employment equals at least 73.

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ARTICLE V

ELIGIBILITY FOR PENSION (FOR EXCLUDED EMPLOYEES)

THE PROVISIONS OF THIS ARTICLE V APPLY FOR PURPOSES OF DETERMINING PENSION ELIGIBILITY FOR PARTICIPANTS WHO ARE EXCLUDED EMPLOYEES.

5.1 Normal Retirement. Any Excluded Employee who attains Normal Retirement Age shall have the right to Retire with a fully vested and nonforfeitable Service Pension commencing as of the first day of the month next following his Retirement.

5.2 Required Retirement. This Section applies to Excluded Employees:

(a) An Employee to whom this subsection (a) applies shall be required by the Company to terminate his employment with the Company on his Required Retirement Date and shall be entitled on such date to a fully vested and nonforfeitable Service Pension. This subsection (a) shall apply to any Employee who:

(i) is a participant in the Plan;

(ii) has attained Normal Retirement Age (determined without regard to subsection (b) of the definition of Normal Retirement Age);

(iii) for the 2-year period immediately before his Retirement pursuant to this Section 5.2, is employed in a bona-fide executive or a high policymaking position; and

(iv) is entitled to an immediate nonforfeitable annual retirement benefit of at least $44,000, when calculated as a straight life annuity with no ancillary benefits.

Section 12(c) of ADEA and the regulations thereunder shall apply in determining whether the foregoing conditions are satisfied. For purposes of paragraph (iv), above, there shall be taken into account retirement benefits from pension, profit-sharing, savings, or deferred compensation plans, or any combination of such plans, sponsored by one or more Affiliates, including, without limitation, any lump sum payments from such plans with which it is possible to purchase a straight life annuity and the Employee's Accrued Benefit under this Plan. For purposes of paragraph (iv), above, there shall not be taken into account retirement benefits derived from employee contributions or retirement benefits derived from rollover contributions from retirement arrangements not sponsored by an Affiliate.

(b) Notwithstanding subsection (a), above, to the extent that the terms of a written agreement between an Employee and the Company entered into on or before March 14, 1991, expressly permit the Employee to remain employed by the Company after the Employee's Required Retirement Date, the Employee shall not be required to terminate his employment with the Company on the Employee's Required Retirement Date, but such Employee shall be required to terminate his employment with the Company on the earliest date, following the Employee's Required Retirement Date, provided for under such agreement.

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(c) The requirement that an Employee terminate his employment with the Company in accordance with subsection (a) or (b), above, whichever is applicable, shall not deprive the Employee of any Accredited Service to which the Employee is otherwise entitled under the Plan, regardless of whether such service extends beyond the Employee's Required Retirement Date (or such later date as may apply to the Employee in accordance with subsection (b)).

5.3 Early Retirement. This Section applies to Excluded Employees:

(a) An Employee whose combined age and Accredited Service (of not less than 15 years) total 76 or more years, may Retire before attaining Normal Retirement Age and shall be entitled to a Service Pension. Credit for fractional parts of a year, with respect to both age and Accredited Service in excess of 15 years, shall be recognized for each full month of age in excess of the Employee's full years of age and for each full week of Accredited Service in excess of the Employee's full years of Accredited Service.

(b) Any salaried Employee with 15 or more years of Accredited Service whose employment is terminated by his employer for any reason other than age or cause before attaining Normal Retirement Age and whose employment is terminated either

(i) within 24 months of the date on which his age combined with his years of Accredited Service on the date of his termination of employment would equal 76, or

(ii) within 24 months of the date of his 55th birthday, if his combined age and years of Accredited Service equal or exceed 76 on the date of his termination of employment,

shall be eligible to be Retired on a Service Pension computed under Section 6.1 as of the last day of the month in which, if paragraph (i) applies, his age combined with his previously accrued years of Accredited Service equal 76 or, if paragraph (ii) applies, he attains age 55. However, in no event shall an Employee Retiring under this subsection (b) accrue Accredited Service for benefit computation purposes for any period after the date of his termination of employment.

(c) The normal Pension Commencement Date of the Service Pension shall be the first day of the month next following the Employee's Normal Retirement Date. However, the Employee may elect, in accordance with Section 7.8, to have his Service Pension commence as of the first day of any month following his Early Retirement Date and preceding his Normal Retirement Date. The Service Pension of any Employee whose Pension Commencement Date occurs prior to attaining age 55 shall be reduced pursuant to the schedule set forth in Section 6.1(b).

5.4 Disability Retirement. Any Excluded Employee with 15 or more years of Accredited Service shall be entitled to a Disability Pension if he becomes Disabled and is receiving disability benefits under the Social Security Act. The normal Pension Commencement Date of the Disability Pension shall be the first day of the month next following the Employee's Normal Retirement Date. However, the Employee may elect, in accordance with Section 7.8, to have his Disability Pension commence as of the first day of

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any month preceding his Normal Retirement Date.

5.5 Deferred Vested Pension. Any Excluded Employee with 5 or more years of Vesting Service whose employment with the Affiliates terminates other than by death, but who does not qualify for a Service Pension or Disability Pension, shall be entitled to a Deferred Vested Pension. The Pension Commencement Date of the Deferred Vested Pension shall be determined as follows:

(a) In general, the Pension Commencement Date shall be the first day of the month next following the former Employee's Normal Retirement Date.

(b) However, if such former Employee has 15 or more years of Accredited Service, he may elect, in accordance with and subject to Section 7.8, to have his Deferred Vested Pension commence prior to his Normal Retirement Date on the first day of any month following the date on which his combined Accredited Service and age equal 76 years. Credit for fractional parts of a year, with respect to both Accredited Service in excess of 15 years and age, shall be recognized for each full month of age in excess of the Employee's full years of age and for each full week of Accredited Service in excess of the Employee's full years of Accredited Service.

(c) If a former Employee covered by this Section has 10 or more years of Accredited Service, he may elect, in accordance with and subject to Section 7.8, to have his Deferred Vested Pension commence prior to his Normal Retirement Date on the first day of any month following the date on which he attains age 55. The Deferred Vested Pension of any former Employee whose Pension Commencement Date occurs prior to his Normal Retirement Date shall be reduced in accordance with Section 6.3.

5.6 Spouse's Pension. This Section applies with respect to Excluded Employees:

(a) A Spouse's Pension shall be payable to the Spouse of a participant who dies before his Pension Commencement Date without having in effect a valid waiver of the Spouse's Pension under Section 6.4(e) or 6A.5(b), if the participant:

(i) had not terminated his employment with the Affiliates but had earned a nonforfeitable right to a Pension;

(ii) had terminated his employment with the Affiliates after (A) attaining Normal Retirement Age, (B) meeting the age and Accredited Service requirements prescribed by Section 5.3, or (C) meeting the requirements prescribed by Section 5.4; or

(iii) had terminated his employment with the Affiliates after acquiring a nonforfeitable right to a Pension but before (A) attaining Normal Retirement Age, (B) meeting the age and Accredited Service requirements prescribed by Section 5.3, or (C) meeting the requirements prescribed by Section 5.4.

No Spouse's Pension shall be payable to the Spouse of a participant who dies before his Pension Commencement Date either without having earned a nonforfeitable right to a Pension or while having in effect a valid waiver of the Spouse's Pension under

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Section 6.4(e) or 6A.5(b). Except as otherwise provided in the Plan, whether a participant has earned a nonforfeitable right to a Pension shall be determined in accordance with Section 5.5.

5.7 Post-NRA Distribution. This Section applies to Excluded Employees:

(a) Subject to the provisions of subsections (b), (c), and (d), below, each Distribution-Eligible Employee may elect to receive a Service Pension commencing as of any March 1, based on the terms of the Plan or the Products Plan, as appropriate, and the Distribution-Eligible Employee's Accredited Service and Average Annual Compensation as of the immediately preceding December 31; provided that a Distribution-Eligible Employee may receive no more than one Post-NRA Distribution pursuant to this Section 5.7 and Section 5A.3 (and any similar provision in the Products Plan).

(b) If a Distribution-Eligible Employee receives a Post-NRA Distribution pursuant to this Section 5.7, the amount of any additional Pension payable upon the Distribution-Eligible Employee's subsequent termination of employment with the Affiliates shall be determined in accordance with the following rules:

(i) Subject to clause (ii), below, the amount of the additional Pension shall be determined under the generally applicable provisions of the Plan (determined without regard to this Section 5.7).

(ii) For purposes of clause (i), above, (A) the Distribution-Eligible Employee's Accredited Service shall be determined solely by reference to Accredited Service earned after the December 31 as of which his Accredited Service is determined for purposes of subsection (a), above, and (B) the Distribution-Eligible Employee's Average Annual Compensation shall be determined by reference to all of the Distribution-Eligible Employee's Monthly Compensation, regardless of whether it was paid for the period before or after the December 31 as of which his Average Annual Compensation was determined for purposes of subsection (a), above.

(c) A Distribution-Eligible Employee who wishes to elect a Post-NRA Distribution must elect such a distribution, in a form and manner acceptable to the Committee, during the period established by the Committee for this purpose from time to time in its sole discretion.

(d) Subject to the requirements of Section 6A.5, a Distribution-Eligible Employee may elect to receive his distribution pursuant to this Section 5.7 in either the automatic form of payment described in Section 6A.5 or in any of the optional forms of payment described in Section 6A.6; provided that in determining the amount of any lump-sum distribution under Section 6A.6(b)(i) for purposes of this subsection (d), the applicable interest rate assumption shall be based on the otherwise applicable rate that is effective for a Pension Commencement Date of January 1 or March 1 of the year in which the distribution is made, whichever produces the larger lump-sum distribution. If a Distribution-Eligible Employee who receives a distribution pursuant to this Section 5.7 subsequently becomes entitled to receive an additional Pension upon termination of employment with the Affiliates in accordance with subsection (b), above, the form of such additional Pension shall be governed by the generally

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applicable provisions of the Plan, as if the Distribution-Eligible Employee were then first Retiring.

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ARTICLE VI-A

COMPUTATION OF PENSIONS (FOR OTHER THAN EXCLUDED EMPLOYEES) AND FORM OF PAYMENT

THE PROVISIONS OF THIS ARTICLE VI-A APPLY FOR PURPOSES OF COMPUTING PENSIONS FOR PARTICIPANTS, OTHER THAN EXCLUDED EMPLOYEES, WHO COMPLETE A PAID HOUR OF SERVICE AT ANY TIME ON OR AFTER JANUARY 1, 2002 AND FOR DETERMINING THE FORM OF PAYMENT FOR ANY PENSION WITH A PENSION COMMENCEMENT DATE ON OR AFTER JANUARY 1, 2002. (FORMER EMPLOYEES WHO ARE CREDITED, PURSUANT TO A SCHEDULE OR OTHER PLAN PROVISION, WITH SERVICE FOR EMPLOYMENT AFTER 2001 WITH A COMPANY THAT IS NOT AN AFFILIATE (E.G., BALTIMORE TECHNOLOGIES EMPLOYMENT DESCRIBED IN SCHEDULE III) SHALL NOT COMPLETE A PAID HOUR OF SERVICE BY REASON OF SUCH CREDIT.)

6A.1 Plan Benefit Formulas. Each Employee (other than an Excluded Employee) who completes a Paid Hour of Service at any time on or after January 1, 2002, shall accrue benefits under one or more benefit formulas set forth in this Section 6A.1. Benefits under the Plan are also subject to the adjustments described in subsection (e), below, for Other Pension Plan benefits, subsection (f), below, for Unconverted Annuity Benefits, Section 7.3 relating to benefits paid prior to reemployment or to suspended benefits, Article XIII relating to transferred employees, and any other adjustments that may apply pursuant to any other provision or Schedule of the Plan (including any adjustment for Monthly Compensation that may be credited after the Employee's termination of employment pursuant to subsection (b)(ii)(H) of the definition of "Monthly Compensation" in Article II). The Employee's Accrued Benefit shall be the Pension determined under Section 6A.2.

(a) Cash Balance Formula. For an Employee described in this Section 6A.1, the benefits accrued under the Plan's cash balance formula shall equal the Employee's Cash Balance Account, if any, accruals under which are determined by the increase in such Cash Balance Account from year to year. An Employee's Cash Balance Account shall equal the sum of (i), (ii) and (iii), below:

(i) Opening Balance. The opening balance credited to the Employee, if any:

(A) As of January 1, 2002, the Cash Balance Account of a Former Bell Atlantic Employee shall be credited with the Employee's cash balance account determined as of December 31, 2001 under the Enterprises Plan, if any, after the crediting of pay credits and/or interest credits for the month of December 31, 2001;

(B) As of January 1, 2002, the Cash Balance Account of a Former GTE Employee who was actively participating in the Products Plan on December 31, 2001 and who is an Employee on January 1, 2002 shall be credited with an opening balance equal to the greater of (I) or (II), below:

(I) the product determined by multiplying the factor from the Table referred to in Exhibit A based on the Employee's age and Accredited Service under the Products Plan, both determined in

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completed years and months as of December 31, 2001 (but excluding Accredited Service that was earned before the distribution date for any Employee paid an in-service distribution under Section 5A.3 (or any similar provision of the Products Plan) or before a prior termination of employment by a rehired participant who previously received a lump sum payment of his entire accrued benefit from the Plan, or any Accredited Service that is credited solely for Pension eligibility purposes), by the Employee's "rate of annual compensation" as of December 31, 2001. For purposes of this calculation, the Employee's "rate of annual compensation" shall equal the sum of:

(a) The greater of the Employee's annual base pay rate as of October 1, 2001 or as of January 1, 2002; plus

(b) Compensation, other than base pay (or imputed base pay), taken into account from October 1, 2000 through September 30, 2001 for purposes of determining the Employee's Monthly Compensation under the Products Plan, but excluding Senior Manager Short-Term Incentives; plus

(c) The Employee's bonus under the GTE Executive Incentive Plan for 2000, if any;

provided, however, that the Employee's annual rate of compensation shall not exceed $200,000.

(II) the actuarial equivalent of the accrued benefit the Employee had earned under the Products Plan as of December 31, 2001 determined using the assumptions described in Exhibit A (adjusted to reflect any prior lump sum distribution in accordance with the provisions of the Products Plan).

(C) As of the date on or after January 1, 2002 that benefits and liabilities are transferred for the Employee from another cash balance plan maintained by an Affiliate pursuant to Section 13.1 or from an Interchange Company Pension Plan pursuant to Section 13.3, the participant's Cash Balance Account shall be credited with the amount, if any, credited to his cash balance account under the Affiliate plan or Interchange Company Pension Plan as of the date of the transfer.

(ii) Pay Credits. Pay Credits shall be added to an Employee's Cash Balance Account as of the end of each calendar month beginning on or after January 1, 2002 in which the Employee has Monthly Compensation. The Pay Credit for a given month equals the applicable Pay Credit Percentage determined under the table below multiplied by the Employee's Monthly Compensation for such month. For these purposes, an Employee's points for any month during a calendar year shall equal the sum of (A) the Employee's age (determined without regard to any years previously added to the Employee's age under the terms of the Plan or a Prior Plan in connection with an early retirement window or any other pension enhancement), as of January 1 of such year, expressed in whole and fractional years, with any additional

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fraction of a year calculated in days divided by 365, plus (B) the Employee's Net Credited Service as of January 1 of such year, expressed in whole and fractional years, with any additional fraction of a year calculated in days divided by 365, and the sum shall be truncated to delete less than whole points.

Points	Pay Credit Percentage
Less than 35	4%
At least 35, but not more than 49	5%
At least 50, but not more than 64	6%
65 or more	7%

(iii) Interest Credits. Interest Credits shall be added to an Employee's or former Employee's Cash Balance Account as of the end of each calendar month beginning on or after January 1, 2002 and ending before the Pension Commencement Date. In addition, Interest Credits shall be applied to Pay Credits made after the Employee's termination of employment and after the Pension Commencement Date, pursuant to subsection (b)(ii)(H) of the definition of "Monthly Compensation" in Article II, from the month in which the Pay Credit is made until the end of the last calendar month ending before the date such amounts are paid to the former Employee or his Beneficiary or applied to increase monthly payments to such individual. Except as provided under Section 13.3(b)(ii) for a cash balance account transferred from an Interchange Company Pension Plan, the dollar value of Interest Credits added to an Employee's or former Employee's Cash Balance Account as of the end of a calendar month shall be equal to the product of the balance of the Cash Balance Account as of the end of the prior month (after adding Pay Credits and Interest Credits for the prior month) to the extent not previously paid to the Employee or his Beneficiary, times the Interest Credit Percentage.

(b) Highest Average Pay Formula. An Employee who is described in this Section 6A.1 who is a Transition-Eligible Employee shall be eligible to accrue benefits under the Plan's highest average pay formula. For a Transition-Eligible Employee, the benefits accrued under the Plan's highest average pay formula shall be an annual pension payable to the Employee in the form of a single life annuity commencing on the first day of the month next following his Normal Retirement Date that is equal to the sum of (i) and (ii), below:

(i) the product determined by multiplying the Employee's years of Pension Accrual Service for eligible service through December 31, 2007 by 1.35 percent of his Average Annual Compensation determined as of the earlier of December 31, 2007 or the date the Employee terminates employment with all Affiliates; plus

(ii) the product determined by multiplying the Employee's Net Monthly Compensation by 1.35 percent.

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(c) Grandfathered GTE Benefit Formula. A Former GTE Employee who is an Employee described in this Section 6A.1 and who had an accrued benefit under the terms of the Products Plan as of December 31, 2001 (or, for an Employee whose benefits were transferred from the Verizon Management Pension Plan to the Plan pursuant to Section 13.1, under the terms of the Verizon GTE Service Corporation Plan for Employees' Pensions) shall be eligible for benefits under the Plan's grandfathered GTE benefit formula. For the Former GTE Employee, the benefits accrued under the Plan's grandfathered GTE benefit formula shall be an annual pension payable to the Employee in the form of a single life annuity commencing on the first day of the month next following his Normal Retirement Date that is equal to the sum of (i), (ii) and (iii), below:

(i) the amount determined under the formula described in Section 6.1 (and Section 6.3, if appropriate), as if such formula had been in effect through the earlier of May 31, 2004, or the date the Employee terminates employment with all Affiliates; plus

(ii) if the Employee is also a Former Bell Atlantic Employee due to a period of employment with a Bell Atlantic Company before his employment with any GTE Company, the single life annuity amount, if any, payable commencing on the first day of the month next following the Employee's Normal Retirement Date determined under the terms of the Enterprises Plan (or, for an Employee whose benefits were transferred from the Verizon Management Pension Plan to the Plan pursuant to Section 13.1, under the terms of Verizon's Bell Atlantic Cash Balance Plan) based on the accrued benefit derived from a non-cash balance formula that the Employee had earned under such plan as of December 31, 2001; plus

(iii) if the Employee is a Transition-Eligible Employee and is an Employee after May 31, 2004, the benefit calculated under the highest average pay formula described in subsection (b), above, but using only Pension Accrual Service earned for employment after May 31, 2004.

(d) Grandfathered Bell Atlantic Benefit Formula. A Former Bell Atlantic Employee who is an Employee described in this Section 6A.1 and who had an accrued benefit under the terms of the Enterprises Plan as of December 31, 2001 (or, for an Employee whose benefits were transferred from the Verizon Management Pension Plan to the Plan pursuant to Section 13.1, under the terms of Verizon's Bell Atlantic Cash Balance Plan) shall be eligible for benefits under the Plan's grandfathered Bell Atlantic benefit formula. For the Former Bell Atlantic Employee, the benefits accrued under the Plan's grandfathered Bell Atlantic benefit formula shall be an annual pension payable to the Employee in the form of a single life annuity commencing on the first day of the month next following his Normal Retirement Date that is equal to the sum of (i), (ii) and (iii), below:

(i) the single life annuity amount, if any, payable commencing on the first day of the month next following the Employee's Normal Retirement Date determined under the terms of the Enterprises Plan (or, for an Employee whose benefits were transferred from the Verizon Management Pension Plan to the

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Plan pursuant to Section 13.1, under the terms of Verizon's Bell Atlantic Cash Balance Plan) based on the accrued benefit derived from a non-cash balance formula that the Employee had earned under such plan as of December 31, 2001 and determined, in the case of a participant who is an Employee on January 1, 2002, as if any service bridging waiting period that the Employee was in the process of completing on December 31, 2001 had been completed; plus

(ii) if the Employee is also a Former GTE Employee due to a period of employment with a GTE Company before his employment with any Bell Atlantic Company, the single life annuity amount, if any, payable commencing on the first day of the month next following the Employee's Normal Retirement Date determined under the terms of the Products Plan (or, for an Employee whose benefits were transferred from the Verizon Management Pension Plan to the Plan pursuant to Section 13.1, under the terms of the Verizon GTE Service Corporation Plan for Employees' Pensions) as in effect on the date prior to January 1, 2002 that the Employee's accruals under the Plan ceased; plus

(iii) if the Employee is a Transition-Eligible Employee, the benefit calculated under the highest average pay formula described in subsection (b), above, but using only Pension Accrual Service earned for employment after December 31, 2001.

(e) Offsets for Benefits Under Other Pension Plans. The amounts determined under subsections (a) through (d), above, shall be reduced by:

(i) the amount (if any) payable from any Other Pension Plan; and

(ii) the amount required to be paid by the Company or another Affiliate pursuant to any foreign law or regulation on account of termination or separation from employment, expressed in United States currency.

For purposes of paragraph (i), above, the amount (if any) payable from any Other Pension Plan shall be the amount of a benefit payable in the form of a single life annuity (or other form of payment elected under the Plan) commencing on the participant's or Beneficiary's actual or assumed Pension Commencement Date that is the actuarial equivalent of the same or similar benefit payable commencing on the same date under the Other Pension Plan. For this purpose, actuarial equivalence shall be determined based on an interest rate of 7 percent per annum and the TPF&C 1971 Forecast Mortality Table for Males (with ages set back 2 years in the case of Employees and 4 years in the case of Spouses and Beneficiaries), except that the actuarial assumptions described in Attachment 1 to Exhibit A shall be applied in the event payment of Plan benefits is to be made in the form of a lump sum. The reduction required pursuant to paragraph (ii) above shall be applied directly against the amounts otherwise payable under the Plan; and in the case of a participant whose Pension Commencement Date occurs after the date of any payment described in paragraph (ii), the amount of the reduction shall be adjusted to an amount equal to the amount of the payment described in paragraph (ii), compounded at an interest rate of 7% per annum from the time of payment until such amount has been completely offset against the participant's pension payments.

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(f) Unconverted Annuity Benefits. In the event an Employee described in this Section 6A.1 has an Unconverted Annuity Benefit under the Plan, the Employee's benefit derived from such Unconverted Annuity Benefit shall equal such Unconverted Annuity Benefit expressed in the form of a single life annuity commencing on the first day of the month next following his Normal Retirement Date, as determined under the terms of the Plan under which such benefit was accrued, as in effect on the last day of the Employee's active participation in such plan. An Employee's Unconverted Annuity Benefit shall be combined with his cash balance formula benefit for purposes of calculating benefits payable to the Employee from the Plan.

6A.2 Vested Pension at Pension Commencement Date. For a former Employee (other than an Excluded Employee) who completes a Paid Hour of Service at any time on or after January 1, 2002, subject to the adjustments described in Section 7.3 relating to benefits paid prior to reemployment or to suspended benefits, Article XIII relating to transferred employees, and any other adjustments that may apply pursuant to any other provision or Schedule of the Plan (including any adjustment for Monthly Compensation that may be credited after the former Employee's termination of employment pursuant to subsection (b)(ii)(H) of the definition of "Monthly Compensation" in Article II), the annual Vested Pension payable to the former Employee in the form of a single life annuity commencing on the Employee's Pension Commencement Date shall equal the greatest of the amounts determined under subsections (a) through (d), below, as applicable to the former Employee:

(a) Cash Balance Formula Benefit Plus Unconverted Annuity Benefit. The sum of (i) the former Employee's Cash Balance Account, if any, as of the Pension Commencement Date, converted, using the assumptions described in Attachment 2 to Exhibit A, to an actuarially equivalent single life annuity benefit payable commencing on the former Employee's Pension Commencement Date, and reduced as described in Section 6A.1(e), plus (ii) the former Employee's benefit derived from his Unconverted Annuity Benefit described in Section 6A.1(f), if any, reduced for early commencement under the terms of the plan under which such benefit was accrued, as in effect on the last day of the Employee's active participation in such plan, but subject to any adjustment more favorable to the Employee as may be provided in Exhibit A for a deferred vested pension;

(b) Highest Average Pay Formula Benefit. The former Employee's benefit amount determined under Section 6A.1(b), if any, determined after the reduction described in Section 6A.1(e), and multiplied by the appropriate factor determined under (i), (ii), or (iii), below, if the former Employee's Pension Commencement Date occurs before the first day of the month next following the former Employee's Normal Retirement Date:

(i) Rule of 75. If the former Employee has at least 15 years of Net Credited Service, and the Employee's combined years and completed months of age and years and partial years of Net Credited Service, as determined based on records maintained by the Company and any other Affiliates, total 75 or more years as of the date the Employee terminates employment with all Affiliates ("rule of 75"), the appropriate factor shall be determined from the table below:

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Pension Commencing At Age	Percentage
55 and over	100%
54	97%
53	94%
52	91%
51	88%
50	85%
49 and under	82%

In the case of a fractional part of a year, the above percentages shall be adjusted at the rate of 1/4 of 1 percent (0.25%) for each full month by which the Pension Commencement Date follows the first day of the month after the attainment of age 49 through age 54. For the purpose of this calculation, the Pension Commencement Date shall be deemed to occur not earlier than the first day of the month following the Employee's 49th birthday.

(ii) Rule of 73. If the former Employee has 15 or more years of Net Credited Service, his employment with all Affiliates was terminated by his employer for any reason other than age or cause before he attained Normal Retirement Age, his years and completed months of age combined with his years and partial years of Net Credited Service, as determined based on records maintained by the Company and any other Affiliates, on the date of his termination of employment equals at least 73 ("rule of 73"), and his Pension Commencement Date occurs as of the first day of the month following the month in which his age combined with his previously accrued years of Net Credited Service equal 75, the appropriate factor shall be determined from the table in (i), above. If the Employee's Pension Commencement Date should occur on a date earlier than the date described in the preceding sentence, an additional reduction of 0.6% per month shall be applied for each month the Pension Commencement Date occurs before the date described in the preceding sentence.

(iii) Deferred Vested Reductions. If the former Employee is not described in paragraph (i) or (ii) of this Section 6A.2(b), the appropriate factor shall be determined from the Table referred to in Exhibit A.

(c) Grandfathered GTE Benefit. The sum, after the reduction described in Section 6A.1(e), of (i) the aggregate of the benefit amounts described under Section 6A.1(c)(i) and (iii), if any, multiplied by the appropriate factor determined under Section 6A.2(b)(i) through (iii), above, if the former Employee's Pension Commencement Date occurs before the first day of the month next following the former Employee's Normal Retirement Date, plus (ii) the benefit amount described in Section 6A.1(c)(ii), if any, adjusted for early commencement, if appropriate, as prescribed by the terms of the Enterprises Plan (or Verizon's Bell Atlantic Cash Balance Plan, if applicable) as in effect on December 31, 2001, except that the unreduced pension age for the modified former pension formula service pension shall be age 59 for a qualifying Employee, even if the Employee terminates employment with the Affiliates after 2001, and such adjustment shall be subject to any adjustment more favorable to the Employee, as may be provided in Exhibit A for a deferred vested pension.

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(d) Grandfathered Bell Atlantic Benefit. The sum, after the adjustment described in Section 6A.1(e), of:

(i) the benefit amount described under Section 6A.1(d)(i), if any, adjusted for early commencement, if appropriate, as prescribed by the terms of the Enterprises Plan (or Verizon's Bell Atlantic Cash Balance Plan, if applicable) as in effect on December 31, 2001, except that the unreduced pension age for the modified former pension formula service pension shall be age 59 for a qualifying Employee, even if the Employee terminates employment with the Affiliates after 2001, and such adjustment shall be subject to any adjustment more favorable to the Employee as may be provided in Exhibit A for a deferred vested pension; and

(ii) the aggregate of the benefit amounts described under Section 6A.1(d)(ii) and (iii), if any, multiplied by the appropriate factor determined under Section 6A.2(b)(i) through (iii), above, if the former Employee's Pension Commencement Date occurs before the first day of the month next following the former Employee's Normal Retirement Date.

6A.3 Disability Pension. Subject to the adjustments described in Section 7.3 relating to benefits paid prior to reemployment, Article XIII relating to transferred employees, and any other adjustments that may apply pursuant to any other provision or Schedule of the Plan (including any adjustment for Monthly Compensation that may be credited after the former Employee's termination of employment pursuant to subsection (b)(ii)(H) of the definition of "Monthly Compensation" in Article II), the annual Disability Pension payable to a Retired Employee (other than an Excluded Employee) who completes a Paid Hour of Service at any time on or after January 1, 2002, in the form of a single life annuity commencing on his Pension Commencement Date, shall equal the greatest of:

(a) Cash Balance Benefit Plus Unconverted Annuity Benefit. The amount described for the Employee in Section 6A.2(a);

(b) Highest Average Pay Formula Benefit. The amount described for the Employee in Section 6A.2(b), if any, with no reduction for early commencement;

(c) Grandfathered GTE Benefit. The amount described for the Employee in Section 6A.2(c), if any, with no reduction for early commencement for the amounts described in Section 6A.2(c)(i); or

(d) Grandfathered Bell Atlantic Benefit. The amount described for the Employee in Section 6A.2(d), if any, with no reduction for early commencement for the amounts described in Section 6A.2(d)(ii).

6A.4 Pre-Retirement Death Benefits. The following provisions apply with respect to an Employee (other than an Excluded Employee) who completes a Paid Hour of Service at any time on or after January 1, 2002. The Pre-Retirement Death Benefit payable to a Beneficiary who qualifies for a Pre-Retirement Death Benefit under Section 5A.2 shall be determined as follows:

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(a) Amount of Pre-Retirement Death Benefit. Subject to the adjustments described in Section 7.3 relating to benefits paid prior to reemployment or to suspended benefits, Article XIII relating to transferred employees, and any other adjustments that may apply pursuant to any other provision or Schedule of the Plan (including any adjustment for Monthly Compensation that may be credited after the former Employee's termination of employment pursuant to subsection (b)(ii)(H) of the definition of "Monthly Compensation" in Article II), the amount of the Pre-Retirement Death Benefit payable to the Beneficiary shall equal the greater of:

(i) the actuarial equivalent of the balance of the participant's Cash Balance Account plus the actuarial equivalent of the participant's Unconverted Annuity Benefit, if any, payable on the Beneficiary's Pension Commencement Date, both expressed in the form of payment applicable to the Beneficiary under subsection (c), as determined using the Tables or other factors referenced in Exhibit A; or

(ii) based on the greatest of the benefits described in Sections 6A.2(b), (c) or (d), as applicable, the actuarial equivalent in the form of payment applicable to the Beneficiary under subsection (c), below, determined using the Tables or other factors referenced in Exhibit A, of the survivor annuity benefit that would have been payable to the Beneficiary under the 50% Joint-Survivor Pension (Qualified Joint and Survivor Annuity, if the Spouse is the only Beneficiary) if the participant had:

(A) terminated employment with the Affiliates on the date of his death (or, if earlier, on the date of his actual termination of employment with the Affiliates);

(B) elected as his Pension Commencement Date for a benefit in the form of a 50% Joint-Survivor Pension (or a Qualified Joint and Survivor Annuity) the commencement date applicable to the Beneficiary in accordance with subsection (d); and

(C) died on the Pension Commencement Date;

provided, however, that no early commencement reduction shall be applied in determining the survivor annuity payable to a Spouse Beneficiary of an Employee who dies before his Normal Retirement Date, while in the service of a Control Group Affiliate (including a period of service described in Section 4A.1(d)).

If the Beneficiary of a Pre-Retirement Death Benefit is one individual, the Beneficiary's age in years and completed months shall be used to determine the amount of the Pre-Retirement Death Benefit. If there is more than one Beneficiary, the age of the oldest Beneficiary shall be used to determine the amount of the Pre-Retirement Death Benefit. If the Beneficiary is not an individual, the Beneficiary will be assumed to be the same age as the participant.

(b) Notice to Participants and Beneficiary Designations. A participant may designate one or more Beneficiaries (natural or otherwise) to receive any Pre-Retirement Death Benefit that may be payable in the event of his death, as described below:

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(i) The Plan shall deliver, to each participant:

(A) a general description of the Pre-Retirement Death Benefit that may be payable in the event of the participant's death before his Pension Commencement Date;

(B) notice of the participant's right to designate a Beneficiary, and the right to revoke a prior designation; and

(C) a general explanation of the rights of the participant's Spouse.

The foregoing information shall be delivered in a manner which will reasonably assure that it will be received: (I) as soon as practicable after an individual becomes a participant; and also (II) within the period beginning with the first day of the Plan Year in which the participant reaches age 32 and ending with the close of the Plan Year in which the participant reaches age 35. In the case of a participant who accrues a nonforfeitable interest in his Accrued Benefit, terminates employment with all Affiliates before he reaches age 35, and does not promptly receive a distribution of his entire Accrued Benefit in a lump sum, the Plan shall deliver to the participant the said information within the two-year period beginning one year before the participant's termination of employment with all Affiliates and ending one year after such date, with respect to benefits accrued before termination of employment. The Committee shall also provide each participant eligible to waive Pre-Retirement Death Benefit coverage pursuant to Section 6A.5(b) with the written explanation described in this paragraph (i). The Committee shall provide such written explanation at the same time as it provides the written explanation described in Section 6A.5(e).

(ii) A participant who is unmarried may, at any time before the earlier of his death or Pension Commencement Date designate one or more Beneficiaries for the Pre-Retirement Death Benefit in the form and manner prescribed by the Committee. If the participant is unmarried on the date of his death and has no valid Beneficiary designation in effect, the Pre-Retirement Death Benefit shall be payable to the participant's estate.

(iii) For a participant who is married, in the absence of any action to designate a Beneficiary, the participant's Spouse as of the date of his death shall be the sole Beneficiary of any Pre-Retirement Death Benefit that may become payable under the Plan. A participant may waive his Spouse's eligibility for the Pre-Retirement Death Benefit and may designate one or more alternate Beneficiaries at any time after he becomes married and before the earlier of his death or Pension Commencement Date, as described below:

(A) Any election to waive the Spouse's eligibility for the Pre-Retirement Death Benefit shall not take effect unless (I) the Spouse consents irrevocably to such election, (II) the Spouse's consent acknowledges the designation of one or more other Beneficiaries, and

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(III) the Spouse's consent is witnessed by a notary public or authorized plan representative. Any consent of a Spouse shall be valid only with respect to the Spouse who signs the consent, and the designated Beneficiary(ies) acknowledged by the Spouse. Any subsequent change of Beneficiary designation will require a new spousal consent. The requirements of this paragraph (A) may be waived if it is established to the satisfaction of the Committee that the consent cannot be obtained because there is no Spouse, or because the Spouse cannot be located, or because of such other circumstances as may be prescribed by applicable regulations, in which case a Beneficiary designation may be delivered without a spousal consent and will be deemed to be a valid election.

(B) Any election to waive the Spouse's eligibility for the Pre-Retirement Death Benefit may be revoked by the participant, without the consent of the Spouse, at any time before his death or Pension Commencement Date in the form and manner prescribed by the Committee. Any actual or constructive election which purports to make a Spouse eligible for the Pre-Retirement Death Benefit will automatically be revoked, and the Spouse shall cease to be eligible to receive the Pre-Retirement Death Benefit, if and when that Spouse is divorced from the participant, except to the extent ordered to the contrary by a Qualified Domestic Relations Order. However, if the participant subsequently remarries, the new Spouse will automatically be treated as the sole designated Beneficiary for the Pre-Retirement Death Benefit unless and until a waiver and designation of an alternate beneficiary are thereafter delivered in accordance with the terms of the Plan.

(C) Notwithstanding anything in this paragraph (iii) to the contrary, if a participant waives his Spouse's eligibility for the Pre-Retirement Death Benefit and/or designates one or more persons other than the Spouse as Beneficiary for the Pre-Retirement Death Benefit before January 1st of the Plan Year in which the participant is to reach age 35, such waiver and/or designation shall become invalid on said January 1st. After such date, the participant, with the consent of his Spouse, may make a new waiver and election in accordance with paragraphs (A) and (B), above. If no new waiver is delivered after such January 1st, the participant's Spouse shall be the sole person eligible to receive any Pre-Retirement Death Benefit which may thereafter become payable.

(c) Form of Payment. If the participant's Beneficiary is his Spouse, such Spouse may elect to receive the Pre-Retirement Death Benefit either in the form of a single life annuity or in the form of a lump sum. If the Beneficiary is an individual other than the participant's Spouse, the participant's estate, two or more designated Beneficiaries or a trust, the Pre-Retirement Death Benefit shall be payable solely in the form of a lump sum (partitioned in equal fractions, in the case of multiple designated Beneficiaries). An election by a Spouse to receive a lump sum must be made within 90 days before the Pension Commencement Date.

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(d) Pre-Retirement Death Benefit Commencement Date. The Pension Commencement Date for the Pre-Retirement Death Benefit shall be the latest to occur of:

(i) the first day following the participant's death;

(ii) the date on which the Committee receives an application for the benefit, in the form and manner prescribed by the Committee, from all surviving designated Beneficiaries; or

(iii) if the Spouse is the only Beneficiary, the deferred Pension Commencement Date elected by the Spouse, provided that the Spouse may not defer commencement to a date later than the first day of the month next following the participant's Normal Retirement Date.

If the Spouse is not the sole Beneficiary, payment of the Pre-Retirement Death Benefit must occur as soon as administratively practicable following the participant's death.

(e) Pre-Retirement Death Benefit Not Payable if Waived. No Pre-Retirement Death Benefit shall be payable to the Beneficiary of a participant who dies before his Pension Commencement Date either without having earned a nonforfeitable right to a Pension or while having in effect a valid waiver of the Pre-Retirement Death Benefit under Section 6A.5(b).

6A.5 Automatic Forms of Payment.

(a) Automatic Form. Unless he elects another form of payment in accordance with the provisions of this Section 6A.5:

(i) a participant who is married on his Pension Commencement Date shall receive his Pension in the form of a Qualified Joint and Survivor Annuity, and

(ii) a participant who is not married on his Pension Commencement Date shall receive his Pension in the form of a single life annuity.

(b) Waiver of Automatic Form. A participant may elect to waive the default form of Pension otherwise payable to him under subsection (a), above, and to receive his Pension in another form of benefit pursuant to the following terms and conditions:

(i) The Qualified Joint and Survivor Annuity payable by default under subsection (a)(i), above, shall be a Joint-Survivor Pension under which a 50-percent survivor annuity is payable to the participant's Spouse as Beneficiary. A participant who is married on his Pension Commencement Date may elect to waive the default Qualified Joint and Survivor Annuity in favor of an alternative form of Qualified Joint and Survivor Annuity, which shall be a Joint-Survivor Pension under which either a 66-2/3 percent or a 100-percent survivor annuity is payable to the participant's Spouse as Beneficiary. In addition, a participant who is married on his Pension Commencement Date may elect to waive the default Qualified Joint and Survivor Annuity in favor of a single life annuity or any optional form of benefit described in Section 6A.6.

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(ii) A participant who is not married on his Pension Commencement Date may elect to waive the single life annuity payable by default under subsection (a)(ii), above, in favor of any optional form of benefit described in Section 6A.6.

(iii) A participant who makes an election under this subsection (b) shall designate the alternative form of benefit in which he wishes to receive his Pension. Any election of a Joint-Survivor Pension or a Pop-Up Annuity must be accompanied by proof of the Beneficiary's age satisfactory to the Committee.

(iv) During the 90-day period that ends on his Pension Commencement Date, a married participant who elects to receive his Pension in any form other than a Qualified Joint and Survivor Annuity also may waive the Spouse's Pension or Pre-Retirement Death Benefit, which would be provided pursuant to Section 5.6 or 5A.2, as applicable, if the participant's death were to occur after termination of employment and before his Pension Commencement Date. In no event may the participant waive the Spouse's Pension benefit or Pre-Retirement Death Benefit, that would be provided pursuant to Section 5.6 or 5A.2, as applicable, if the participant's death were to occur on or before the date of termination of employment, and, in the event of the participant's death before termination of employment, the only benefit payable with respect to such participant shall be the Spouse's Pension or Pre-Retirement Death Benefit described in Section 5.6 or 5A.2, as applicable. The waiver of such Spouse's Pension coverage or Pre-Retirement Death Benefit coverage pursuant to this paragraph (iv) shall be subject to the terms and conditions in Section 6.4(d)(i) through (iv) or Section 6A.4(b)(i) through (iii), as applicable, and shall be effective for the period beginning on the later of (A) the day after the participant's final day of employment with the Affiliates or (B) the date on which the Committee receives the participant's waiver, and ending on the earlier of (x) the participant's Pension Commencement Date, or (y) the date on which the waiver is revoked. This provision shall apply only to a Former GTE Employee and only if such waiver is effective before May 31, 2004.

(v) A married participant who elects to receive his Pension in any form of Qualified Joint and Survivor Annuity shall not be entitled to waive the Spouse's Pension coverage or Pre-Retirement Death Benefit coverage for which he otherwise is eligible at any time during the 90-day period that ends on his Pension Commencement Date.

(vi) Any waiver of Spouse's Pension coverage previously in effect with respect to a participant shall be revoked automatically at the beginning of the 90-day period that ends on his Pension Commencement Date, unless the participant elects to receive his Pension in a form other than a Qualified Joint and Survivor Annuity.

(c) Revoking Waiver of Automatic Form. An election under subsection (b), above, may be revoked either automatically in the circumstances described in subsection (f), below, or by filing a written revocation with the Committee in a form and in a manner acceptable to the Committee. After any such revocation, a new

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election under subsection (b), above, may be made at any time before the participant's Pension Commencement Date (or during such other period permitted or required by law). However, except as provided in Section 7.3 or as the Committee may otherwise provide on the basis of uniform and nondiscriminatory rules, any election under subsection (b), above, shall be irrevocable after the participant's Pension Commencement Date.

(d) Conditions for Elections. An election or revocation of an election under subsections (b) and (c), above, shall be subject to the following terms and conditions:

(i) Any election or revocation shall be made within the 90-day period ending on the participant's Pension Commencement Date (or during such other period permitted or required by law) by giving written notice in such form and manner as may be required by the Committee.

(ii) If a participant who is married on his Pension Commencement Date elects to receive his Pension in any form other than a Qualified Joint and Survivor Annuity, the election shall be ineffective unless the participant's Spouse consents in writing to the election, the consent acknowledges the effect of the election, and the consent is witnessed by a notary public or authorized plan representative. The Spouse's consent must acknowledge the effect of the form of benefit that the participant has elected, as well as the effect of any Beneficiary or Beneficiaries (including any class of Beneficiaries and any contingent Beneficiaries) that the participant has designated. Any consent by a Spouse shall be irrevocable unless the participant agrees to a revocation.

(iii) Subsection (d)(ii), above, shall not apply if the Committee determines that the consent required therein cannot be obtained because there is no Spouse, because the Spouse cannot be located, or because of any other circumstances that are specified by regulation, revenue ruling, notice, or other guidance of general applicability issued by the Department of the Treasury.

(iv) Any consent by a Spouse pursuant to subsection (d)(ii), above, shall be effective only with respect to that Spouse. Similarly, any establishment that the consent of a Spouse cannot be obtained for any of the reasons described in subsection (d)(iii), above, shall be effective only with respect to that Spouse.

(v) Any consent by a Spouse pursuant to subsection (d)(ii), above, shall be effective only as long as the participant makes no change in the designated Beneficiary or class of Beneficiaries.

(e) Notices to Participants. The Committee shall provide to each participant, not less than 30 days nor more than 90 days before his Pension Commencement Date (or during such other period permitted or required by law), a written explanation of:

(i) The material features and relative financial values of the forms of benefit, to which the participant is entitled, or that he could elect to receive, under the Plan;

(ii) In the case of a married participant, his right to elect to waive, the

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effect of his electing to waive, and the requirements (including any spousal consent requirements) applicable to his electing to waive, the Qualified Joint and Survivor Annuity payable by default under subsection (a)(i), above, in favor of any other form of payment to which he is otherwise entitled under the Plan;

(iii) In the case of a participant other than a married participant, his right to elect to receive, and the effect of his electing to receive, any other form of benefit to which he is entitled under the Plan in lieu of the single life annuity specified in subsection (a)(ii), above;

(iv) In the case of a participant who is entitled to elect commencement of a form of payment before his Normal Retirement Date, his right not to elect such early commencement; and

(v) The terms and conditions (if any) under which an election by a participant, or a consent by the Spouse of a married participant, may be revoked, and the effect of such revocation.

Notwithstanding the foregoing, no notice pursuant to this subsection (e) shall be required in the case of a participant who is required to receive his Pension in the form of a lump sum payment pursuant to Section 7.6. In addition, a participant's Pension Commencement Date may be less than 30 days after the foregoing information is received by the participant if:

(A) the participant is given notice of his right to a 30-day election period in which to consider whether (I) to waive the automatic form of payment and elect an optional form, and (II) to the extent applicable, consent to the distribution;

(B) the participant affirmatively elects a distribution and form of payment and the Spouse, if necessary, consents to the form of payment elected;

(C) the participant is permitted to revoke his affirmative election at any time prior to the Pension Commencement Date or, if later, the expiration of a 7-day period beginning on the day after the explanation described in this Section is provided to the participant; and

(D) distribution to the participant does not commence before the expiration of the 7-day period described in (C), above.

(f) Death of Participant or Beneficiary.

(i) If the designated Beneficiary with respect to a Joint-Survivor Pension or a Pop-Up Annuity dies before the participant's Pension Commencement Date, the election (including, if applicable, any election pursuant to subsection (b), above, to waive Spouse's Pension or Pre-Retirement Death Benefit coverage) shall be void, and the participant shall be deemed not to have previously elected a Joint-Survivor Pension or Pop-Up Annuity. If the designated Beneficiary with respect to a Joint-Survivor Pension dies before the

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participant, but after the Pension Commencement Date, the amount of the Pension thereafter payable to the participant shall not be affected in any way as a result thereof. If the designated Beneficiary with respect to a Pop-Up Annuity dies before the participant, but after the Pension Commencement Date, the amount of the Pension thereafter payable to the participant shall be adjusted as described in Section 6A.6(d).

(ii) If a participant whose pre-retirement death benefit is determined under Section 6.4 dies before his Pension Commencement Date without having made a valid election of an optional form of payment described in Section 6A.6, no individual shall have a right to any payment under the Plan with respect to the participant, unless the participant is survived by a Spouse who is entitled to a Spouse's Pension.

(iii) If a participant dies before his Pension Commencement Date after terminating employment with the Affiliates and after having made (and not revoked) a valid election of a Joint-Survivor Pension (and after having made (and not revoked) a valid waiver of the Spouse's Pension or the Pre-Retirement Death Benefit, whichever applies), leaving the designated Beneficiary with respect to the Joint-Survivor Pension surviving him, the Beneficiary shall be eligible to receive the survivor annuity payable under such Joint-Survivor Pension as if the Employee had died on the day following his Pension Commencement Date. This provision shall apply only to a Former GTE Employee and only if the waiver is effective before May 31, 2004.

(iv) If a participant dies before his Pension Commencement Date after terminating employment with the Affiliates and after having made (and not revoked) a valid election of a lump sum distribution described in Section 6A.6(b) (and after having made (and not revoked) a valid waiver of the Spouse's Pension or the Pre-Retirement Death Benefit, whichever applies), the lump sum distribution shall be paid to the participant's designated Beneficiary (or, if the participant has not designated a Beneficiary, or if none of his designated Beneficiaries survives him, the lump sum distribution shall be paid to the executor of the participant's will or the administrator of his estate). This provision shall apply only to a Former GTE Employee and only if the waiver is effective before May 31, 2004.

(v) If a participant dies before his Pension Commencement Date after terminating employment with the Affiliates and after having made (and not revoked) a valid election of a Five-Year Certain and Life Annuity Option described in Section 6A.6(c) (and after having made (and not revoked) a valid waiver of the Spouse's Pension or the Pre-Retirement Death Benefit, whichever applies), the participant's designated Beneficiary shall be eligible to receive the five-year certain payments pursuant to such option as if the Employee had died on the day following his Pension Commencement Date (or, if the participant has not designated a Beneficiary, or if none of his designated Beneficiaries survives him, the five-year certain payments pursuant to such option shall be paid to the executor of his will or the administrator of his estate). This provision shall apply only to a Former GTE Employee and only if the waiver is effective before May 31, 2004.

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(vi) If a participant dies on or after his Pension Commencement Date, any distribution that was scheduled to be paid to him on or before his date of death but that was not paid to him on or before his date of death due to administrative or other delay shall be paid instead to the executor of his will or the administrator of his estate.

(g) Applicability. This Section 6A.5 shall apply to any participant who completed at least one Hour of Service with an Affiliate on or after August 23, 1984 and whose Pension Commencement Date occurs on or after January 1, 2002.

(h) Transition Rules. Notwithstanding subsection (g), above, if

(i) a participant completed at least one Hour of Service under a predecessor to the Plan (from which assets were transferred directly to the Plan) on or after September 2, 1974,

(ii) section 401(a)(11) of the Code, as in effect on August 22, 1984, would not otherwise apply to the participant,

(iii) Section 6.4, 6A.4 or 6A.5 does not otherwise apply to the participant, and

(iv) as of August 23, 1984, the participant was alive and had not reached his Pension Commencement Date,

unless the participant declines the annuity in writing, any Pension payable to or on behalf of the participant shall be paid as a joint and survivor annuity, within the meaning of section 401(a)(11) of the Code (as in effect on August 22, 1984), with a 50-percent survivor annuity, for the benefit of the participant and his Spouse (if any); provided, that this subsection (h) shall not apply to the extent that equivalent benefits would otherwise be provided by the Plan.

6A.6 Optional Forms of Payment.

(a) Joint-Survivor Pension.

(i) A Retired Employee shall be eligible to elect to receive benefits in the form of a Joint-Survivor Pension that is actuarially equivalent to the Plan's single life annuity. Under the Joint-Survivor Pension, a reduced amount shall be payable to the Retired Employee for his lifetime. The Beneficiary, if surviving at the Retired Employee's death, shall be entitled to receive thereafter a lifetime survivor benefit in an amount equal to 100 percent, 66-2/3 percent, 50 percent, or 33-1/3 percent, as elected by the Employee, of the reduced amount that had been payable to the Retired Employee.

(ii) The reduced amount payable to the Retired Employee shall be determined as prescribed by Section 6.1, 6.2, 6.3, 6A.2 or 6A.3 as the case may be, except that the amount obtained shall be multiplied by the appropriate actuarial factor in the Table referred to in Exhibit A. The appropriate actuarial factor shall be determined for any Employee and his Beneficiary as of the Employee's Pension Commencement Date.

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(iii) If an Employee designates any individual other than his Spouse as his Beneficiary, the 100% Joint-Survivor Pension will only be available if the designated Beneficiary is not more than 10 years younger than the Employee and the 66-2/3% Joint-Survivor Pension will only be available if the designated Beneficiary is not more than 24 years younger than the Employee.

(b) Lump Sum Distribution Option.

(i) Except as provided otherwise in a Schedule, any Retired Employee who will qualify for a Pension under Section 5.1, 5.2, 5.3, 5.5 or 5A.1 may elect to receive his Pension in the form of a lump sum distribution. The amount of any such lump sum distribution shall be determined as described in Exhibit A.

(ii) Except as provided otherwise in a Schedule, any Retired Employee who will qualify for a Disability Pension under Section 5.4 or 5A.4 may elect to receive his Disability Pension in the form of a lump sum distribution. The amount of any such lump sum distribution shall be determined as described in Exhibit A.

(iii) Notwithstanding anything to the contrary in Section 7.1, the payment of a Pension in the form of a lump sum distribution shall be made in a single taxable year of the recipient and shall be made on or as soon as practicable after an Employee's Pension Commencement Date.

(c) Five-Year or Ten-Year Certain and Life Annuity Option. A Retired Employee shall be eligible to elect to receive his benefits in the form of an annuity that is actuarially equivalent to the Plan's single life annuity and that provides equal monthly payments for the life of the Retired Employee, with the condition that if the Retired Employee dies before he has received 60 or 120 monthly payments, the Employee's designated Beneficiary shall receive monthly payments in the same amount as the Retired Employee until a total of 60 or 120 monthly payments have been made to the Retired Employee and his Beneficiary combined. For purposes of the preceding sentence, actuarial equivalence shall be determined based on the appropriate factor from the Table referred to in Exhibit A. A Retired Employee shall be eligible to elect the form of payment described in this subsection (c) with a total of 60 or 120 monthly payments guaranteed, as elected by the Retired Employee.

(d) Pop-Up Annuity.

(i) A Retired Employee shall be eligible to elect to receive benefits in the form of a Pop-Up Annuity that is actuarially equivalent to the Plan's single life annuity. Under the Pop-Up Annuity, a reduced amount shall be payable to the Retired Employee for his lifetime. The Beneficiary, if surviving at the Retired Employee's death, shall be entitled to receive thereafter a lifetime survivor benefit in an amount equal to 100 percent, 75 percent, or 50 percent, as elected by the Employee, of the reduced amount that had been payable to the Retired Employee. If the Beneficiary predeceases the Retired Employee, upon written notice of the Beneficiary's death delivered to the Committee by the Retired Employee, the benefit shall be converted to a single life annuity

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payable for the life of the Retired Employee and the amount of the monthly benefit shall be increased effective with the payment for the month following the month in which the Beneficiary's death occurs, so that each subsequent pension payment is equal to 100% of the monthly pension to which the Employee was entitled if payment had originally commenced in the form of a single life annuity; provided, however, that in the event notice of the Beneficiary's death is provided to the Committee after the first anniversary of the Beneficiary's death, the adjustment described in this sentence shall not be effective for any payment made before the payment for the month following the month in which the Committee receives such notice.

(ii) The reduced amount payable to the Retired Employee shall be determined as prescribed by Section 6.1, 6.2, 6.3, 6A.2 or 6A.3, as the case may be, except that the amount obtained shall be multiplied by the appropriate actuarial factor from the Table referred to in Exhibit A.

(iii) If an Employee designates any individual other than his Spouse as his Beneficiary, and (A) the Employee is more than 19 years older than the Beneficiary, neither a 75% nor a 100% Pop-Up Annuity may be elected, and (B) the Employee is more than 10 but not more than 19 years older than the Beneficiary, a 100% Pop-Up Annuity may not be elected.

(e) Combination Annuity and Lump-Sum. A Retired Employee may choose to receive a specified portion (in increments of 10% and not to exceed 50%) of his Accrued Benefit under the lump-sum option described in Section 6A.6(b), with the remaining percentage of his Accrued Benefit payable as an annuity under Section 6A.6(a), (c) or (d). Both the lump-sum portion and the annuity portion of the Accrued Benefit must have the same Pension Commencement Date.

(f) Forms of Payment for Transferred Benefits. An accrued benefit that is transferred to the Plan under Section 13.1 from a plan of the Company or another Affiliate or under Section 13.3 from an Interchange Company Pension Plan shall be distributed in the automatic form described in Section 6A.5 unless, subject to the spousal consent requirements of Section 6A.5(d), the Retired Employee elects to receive such benefit in one of the optional payment forms described in this Section 6A.6 (subject to this subsection (f)) or, to the extent required by the anti-cutback rules set forth in section 411(d)(6) of the Code and Treasury Regulations issued thereunder, in one of the optional payment forms described in the plan from which such benefit was transferred. Optional payment forms which are not otherwise available under the Plan and are required to be grandfathered for a transferred accrued benefit, shall be available only with respect to such transferred benefit (which shall be converted to such optional form following the terms of the plan from which the benefit was transferred). If a Retired Employee elects a grandfathered optional form for his transferred accrued benefit, he must make a separate form of payment election for the remainder of his or her Accrued Benefit from among the forms of payment otherwise available under the Plan. If a particular form of payment is available both under the Plan and the transferor plan, the amount payable from the Plan to the Retired Employee in such optional form shall in no event be less than the transferred accrued benefit adjusted for early payment and payment form under the terms of the transferor plan.

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(g) Applicability. Except as provided otherwise in any Schedule, this Section 6A.6 shall apply to all Plan participants with Pension Commencement Dates on or after January 1, 2002 regardless of the date the participant terminated employment with all Affiliates.

6A.7 Limitations on Pensions.

(a) In addition to any other limits set forth in the Plan, and notwithstanding any other provision of the Plan, in no event shall the annual amount of any retirement benefit payable with respect to a participant under the Plan exceed the maximum annual amount permitted by section 415 of the Code at benefit commencement for a retirement benefit payable in the form and commencing at the age provided for with respect to the participant. The determination in the preceding sentence shall be made after taking into account the retirement benefits payable with respect to the participant under all other defined benefit plans required to be aggregated with this Plan under section 415(f)(1)(A) of the Code and, for limitation years beginning before January 1, 2000, after taking into account the annual additions with respect to the participant under all defined contribution plans required to be aggregated under section 415(f)(1)(B) of the Code.

(b) If the limits imposed by subsection (a), above, with respect to a participant would otherwise be exceeded, the retirement benefits and, for limitation years beginning before January 1, 2000, annual additions with respect to the participant under the plans described in subsection (a), above, shall be reduced until those limits are satisfied. For purposes of applying the preceding sentence, the retirement benefits payable with respect to the participant under the defined benefit plans described in subsection (a), above, shall be reduced before the annual additions with respect to the participant are reduced under the defined contribution plans described in subsection (a), above. Among plans of the same type (defined benefit or defined contribution), reductions shall be made in reverse chronological order, that is, on a plan-by-plan basis, beginning with the plan under which the participant most recently accrued a benefit or was allocated an annual addition, and ending with the plan under which the participant least recently accrued a benefit or was allocated an annual addition.

(c) The limits imposed by subsection (a), above, shall be applied on the basis of:

(i) subject to subsection (d), for limitation years beginning before January 1, 1995, an interest rate assumption of 5 percent per annum, compounded annually, and for limitation years beginning on or after January 1, 1995, in accordance with section 415(b)(2)(E) of the Code, as amended by section 767 of the Uruguay Round Agreements Act (as subsequently amended by section 1449 of the Small Business Job Protection Act of 1996),

(ii) the definition of compensation in Treas. Reg.ss. 1.415-2(d)(11)(i), adjusted for limitation years beginning after December 31, 1997 to include deferrals described in Code section 415(c)(3)(D),

(iii) any cost-of-living increase that the Plan is permitted to take into account under section 415(d) of the Code,

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(iv) any applicable transition rule prescribed in section 1106(i) of the Tax Reform Act of 1986, and

(v) any other applicable transition rule that preserves a participant's accrued benefit under the Plan as of the effective date of the enactment or amendment of section 415 of the Code.

Notwithstanding any provision in this Section 6A.7 to the contrary, for each participant who was previously a participant in a Prior Plan and who does not complete a Paid Hour of Service on or after January 1, 2002, the limits described in this Section shall be applied in accordance with the terms of such Prior Plan as set forth in Section 6A.11. For each participant who was previously a participant in the Enterprises Plan and who completes a Paid Hour of Service on or after January 1, 2002, the Pension paid to such participant (or his Beneficiary) shall be automatically adjusted at the beginning of each limitation year to reflect the maximum amount allowable under section 415 of the Code for such limitation year; provided, however, that such adjustment shall not apply to a benefit paid to a participant or his Beneficiary that has previously started on a Pension Commencement Date on or after January 1, 2002 under the Plan (other than pursuant to Section 7.7(i)) if:

(A) the participant's or Beneficiary's benefit was paid from the Plan in the form of a lump sum; or

(B) as of such Pension Commencement Date the participant or Beneficiary had a Code section 415 excess benefit provided through a non-qualified plan maintained by the Company.

(d) Notwithstanding the foregoing, application of the amendments described in subsection (c)(i) of this Section 6A.7 shall not cause a participant's accrued benefit (including any optional benefit) determined under the provisions of the Plan to be less than the greater of:

(i) the participant's accrued benefit based on all service credited under the Plan taking into account the limitations of section 415 of the Code in effect as of the date of the determination; or

(ii) the sum of

(A) the participant's accrued benefit under the terms of the applicable Prior Plan in effect as of December 31, 1999, determined using the limitations of section 415 of the Code in effect as of December 7, 1994 (the "old-law limits"), but disregarding any change in the Prior Plan adopted after December 31, 1999 (unless relevant to the application of the "old-law limits") and any cost of living adjustment under Code section 415(d) effective after December 31, 1999, and

(B) the participant's accrued benefit based solely on service after December 31, 1999, taking into account the limitations of section 415 of the Code in effect as of the date of the determination;

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provided, however, that this provision shall be applied to benefits accrued under the Enterprises Plan by substituting "December 31, 1994" for "December 31, 1999" wherever it appears in (ii)(A), above, and by disregarding (ii)(B), above.

(e) This Section 6A.7 is intended to satisfy the requirements imposed by section 415 of the Code and shall be construed in a manner that will effectuate this intent. This Section 6A.7 shall not be construed in a manner that would impose limitations that are more stringent than those required by section 415 of the Code.

6A.8 Eligible Rollover Distributions.

(a) Right to Elect Rollover. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section 6A.8, a distributee may elect, at the time and in the manner prescribed by the Committee, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(b) Definitions.

(i) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for eligible rollover distributions or the exclusion for net unrealized appreciation with respect to employer securities).

(ii) Eligible retirement plan: An eligible retirement plan is an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, or a qualified trust described in section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

(iii) Distributee: A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.

(iv) Direct rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

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6A.9 Increases After Pension Commencement Date Due to Additional Compensation. To the extent that a Pension payable to a Retired Employee or Beneficiary increases after the Pension Commencement Date due to the crediting of additional Monthly Compensation under subsection (b)(ii)(H) of the definition of "Monthly Compensation" in Article II, the Retired Employee's or Beneficiary's benefit payments shall automatically be adjusted to reflect such increase on a prospective basis as soon as administratively practicable following the date such compensation is paid. The increase in the Retired Employee's or Beneficiary's benefit shall be paid in the same form of payment as applied to the Retired Employee's or Beneficiary's benefit on the original Pension Commencement Date.

6A.10 No Other Ancillary Benefits. No ancillary benefit, including but not limited to the "1991 Death Benefit" previously provided under the Enterprises Plan, shall be payable to, or on behalf of, a participant who completes a Paid Hour of Service at any time on or after January 1, 2002, unless payment of such benefit is specifically provided for in Articles V-A and VI-A of this Plan.

6A.11 Merger of Products Plan into Plan as of November 30, 2001. Effective immediately after the close of business on November 30, 2001, all assets held under the Products Plan were transferred to, and merged with the assets of, the Enterprises Plan, which is the predecessor to this Plan. All employees of the Company who were active participants in the Products Plan immediately prior to the merger became participants in the Plan as of the merger date, and through December 31, 2001, together with any eligible employees of co-sponsors of the Products Plan who would have become participants in the Products Plan had the merger not occurred, continued to participate in the Plan under the terms and conditions set forth in the Products Plan immediately prior to the merger. All employees of the Company who were active participants in the Enterprises Plan immediately prior to the merger continued to be participants in the Plan as of the merger date, and through December 31, 2001, together with any eligible employees of participating employers in the Enterprises Plan who would have become participants in the Enterprises Plan had the merger not occurred, continued to participate in the Plan under the terms and conditions set forth in the Enterprises Plan immediately prior to the merger. Notwithstanding any provision in the Plan to the contrary except Section 6A.12, all benefits payable on or after December 31, 2001 to persons entitled to benefits from the Products Plan portion of the Plan or the Enterprises Plan portion of the Plan as of December 31, 2001 who do not complete a Paid Hour of Service after December 31, 2001 shall be determined and paid as follows:

(a) Benefits in pay status to participants as of December 31, 2001 shall continue to be paid in accordance with the provisions of the applicable Prior Plan.

(b) Retirement benefits for which payments have not begun by December 31, 2001, that are payable to participants in a Prior Plan who do not complete a Paid Hour of Service after December 31, 2001, shall be determined (with respect to eligibility and amount) and shall be distributed (with respect to timing) in accordance with the provisions of the applicable Prior Plan as in effect as of such person's Separation From Service Date (except to the extent provided otherwise by a subsequent amendment to the Prior Plan); provided, however, that (i) the forms of payment available to the participant shall be determined under Sections 6A.5 and 6A.6, (ii) conversion of the single life annuity benefit payable to the participant to a benefit payable in the form elected by the participant shall be determined using the factors described in Exhibit A, (iii) monthly payments of accrued benefits from the Enterprises Plan shall be made as

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of the first of each month (instead of in arrears), (iv) the reduction for payment prior to normal retirement age of a deferred vested pension shall be determined using the factors described in Exhibit A, and (v) the reduction for payment prior to normal retirement age of a deferred vested pension that is derived from an unconverted annuity pension benefit under the Enterprises Plan shall be determined using the factors described in Exhibit A to the extent such factors provide a higher benefit than the similar factors provided for in the plan under which such benefit was accrued.

(c) Pre-retirement death benefits and/or ancillary death benefits payable with respect to a former participant in a Prior Plan that have not been paid (or commenced to be paid) by December 31, 2001 shall be determined (with respect to eligibility and amount) and shall be distributed (with respect to timing and form of payment) in accordance with the provisions of the applicable Prior Plan as in effect as of such participant's Separation From Service Date (except to the extent provided otherwise by a subsequent amendment to the Prior Plan); provided, however, that (i) monthly payments of accrued benefits from the Enterprises Plan shall be made as of the first of each month (instead of in arrears), (ii) the joint and survivor annuity conversion factors described in Exhibit A shall be used to convert a single life annuity to a joint and survivor annuity form of payment to the extent required to calculate the survivor benefit, (iii) the reduction for payment prior to normal retirement age of a deferred vested pension shall be determined using the factors described in Exhibit A, to the extent required to calculate the survivor benefit, and (iv) the reduction for payment prior to normal retirement age of a deferred vested pension that is derived from an unconverted annuity pension benefit under the Enterprises Plan shall be determined using the factors described in Exhibit A if such factors provide a higher benefit than the similar factors provided for in the plan under which such benefit was accrued, to the extent required to calculate the survivor benefit.

6A.12 Option for Certain Participants Terminating Employment in 2001. Any participant in a Prior Plan whose last day (i) of active employment with the Affiliates, and (ii) of active participation in the applicable Prior Plan is a day on or after April 1, 2001 and before January 1, 2002 may elect, in the time and manner prescribed by the Committee, to receive a pension that is equal to the Pension determined for the participant under Articles V-A and VI-A. A participant described in the preceding sentence who is not eligible for Company retiree medical and welfare benefits, or who is otherwise determined by the Committee to have no reason to forego the election, shall be deemed to make the election described in this Section 6A.12. The following rules shall apply with respect to such elections:

(a) A participant's last day of active employment shall include the last day of vacation actually taken, but shall be determined without regard to a participant's accrued and unused vacation or banked vacation.

(b) If the participant elects to have his Pension determined under Articles V-A and VI-A, such Pension shall be paid in lieu of the pension benefit otherwise payable under the terms of the applicable Prior Plan in which he was a participant at termination of employment, but only to the extent a higher benefit payment will result.

(c) If the participant makes an election under this Section 6A.12 and is eligible for retiree medical and welfare benefits, he shall receive retiree medical and welfare benefits under the new Verizon retiree medical and welfare benefits program effective January 1, 2002, in lieu of the retiree benefits to which he would have been eligible

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under the retiree benefit program in effect at his employment termination.

(d) If the participant dies while an employee actively participating in a Prior Plan on or after April 1, 2001 and prior to January 1, 2002, he shall be deemed to have made the election described in this Section 6A.12 unless the participant would have been eligible for retiree medical and welfare benefits and is married on the date of his death, in which case the election shall be made (or not made) by the participant's Spouse.

(e) The Pension determined under Article VI-A for a participant making the election described in this Section 6A.12 shall be based on:

(i) Monthly Compensation, determined as described in subsection (b)(i) of the definition of "Monthly Compensation" in Article II based on the participant's compensation through his termination date;

(ii) Accredited Service, Net Credited Service and Pension Accrual Service, determined as described in the applicable Prior Plan or Article IV-A based on service through his termination date; and

(iii) for a Former GTE Employee who is an active participant in the Products Plan at the time he terminates employment, an opening cash balance account, determined using a "rate of annual compensation" equal to the sum of:

(A) the participant's annual base pay rate as of the date the participant terminates employment with all Affiliates;

(B) Compensation, other than base pay (or imputed base pay), taken into account for purposes of determining the participant's Monthly Compensation under the Products Plan for the twelve-consecutive-month period immediately preceding the date the participant terminates employment with all Affiliates, but excluding Senior Manager Short-Term Incentives; and

(C) The participant's bonus under the GTE Executive Incentive Plan for 2000, if any;

provided, however, that the participant's annual rate of compensation shall not exceed $170,000.

(f) For a Former GTE Employee who is eligible to make an election under this Section 6A.12, eligibility for an immediate Service Pension shall be determined under the "rule of 75" or "rule of 73" described in Section 6A.2(b), in lieu of under the rules described in the Products Plan.

(g) If a participant who makes an election under this Section 6A.12 is not eligible to start pension payments immediately at employment termination under the terms of the applicable Prior Plan in which he is then a participant, the participant may start his pension on or after January 1, 2002 as described in Articles V-A and VI-A, notwithstanding any provision in the Plan to the contrary.

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(h) Optional forms of payment that are available under Section 6A.6 only for Pension Commencement Dates occurring on or after January 1, 2002 shall not be available to a participant described in this Section unless he delays his Pension Commencement Date to a date on or after January 1, 2002.

(i) During 2002, the benefit of each participant (or Beneficiary of a participant) who makes an election under this Section 6A.12 and begins to receive his pension benefit prior to January 1, 2002 shall be recalculated as of his Pension Commencement Date (in the form of payment in effect as of the Pension Commencement Date) taking into account the provisions of Articles V-A, VI-A (including any optional form conversion factors first effective in 2002) and this Section 6A.12. Any such participant (or Beneficiary) who is receiving monthly benefits from the Plan and for whom the recalculated monthly payment is greater than the original monthly payment shall receive a lump-sum true-up payment equal to the aggregate underpayments for each month for which payment was made prior to true-up, including interest at the lump sum conversion rate in effect for the participant (or Beneficiary) at his pension commencement, and thereafter monthly payments from the Plan shall be increased to the recalculated monthly amount. In the event such participant (or Beneficiary) received payment in the form of a lump sum and the recalculated lump sum amount is larger than the lump sum previously paid, the participant (or Beneficiary) shall receive a lump sum true-up payment equal to the difference between the two amounts, including interest at the lump sum conversion rate in effect for the participant (or Beneficiary) at his pension commencement.

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ARTICLE VI

COMPUTATION OF PENSIONS (FOR EXCLUDED EMPLOYEES)

THE PROVISIONS OF THIS ARTICLE VI APPLY FOR PURPOSES OF COMPUTING PENSIONS FOR PARTICIPANTS WHO ARE EXCLUDED EMPLOYEES.

6.1 Service Pension. This Section applies to Excluded Employees:

(a) Subject to subsections (b) through (d), below, the annual Service Pension payable to a Retired Employee in the form of a single life annuity commencing on the first day of the month next following his Normal Retirement Date shall equal the greater of the amounts determined under paragraphs (i) and (ii), below.

(i) The amount determined under this paragraph (i) is the product determined by multiplying the Retired Employee's years of Accredited Service by the sum of (1) 1.15 percent of his Average Annual Compensation not in excess of the Social Security Integration Level, and (2) 1.45 percent of his Average Annual Compensation in excess of the Social Security Integration Level.

(ii) The amount determined under this paragraph (ii) is the product determined by multiplying the Retired Employee's years of Accredited Service by 1.35 percent of his Average Annual Compensation.

(b) If an Employee begins receiving his Service Pension as of any date that precedes his Normal Retirement Date, the amount determined under subsection (a), above, shall be multiplied by the appropriate percentage indicated below:

Pension Commencing At Age	Percentage
55 and over	100%
54	97%
53	94%
52	91%
51	88%
50	85%
49 and under	82%

In the case of a fractional part of a year, the above percentages shall be adjusted at the rate of 1/4 of 1 percent (0.25%) for each full month by which the Pension Commencement Date follows the first day of the month after the attainment of age 49 through age 54. For the purpose of this calculation, the Pension Commencement Date shall be deemed to occur not earlier than the first day of the month following the Employee's 49th birthday.

(c) The amount determined in subsections (a) and (b), above, shall not be less than the applicable amount according to the Employee's years of Accredited Service as determined in accordance with the following table:

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Years of Accredited Service		Applicable Amount
At least	But less than	
15	20	$4,700
20	25	$6,100
25	30	$7,500
30	35	$8,900
35	40	$10,300
40	N/A	$11,700

(d) The amount determined under subsections (a), and (c), above, shall be reduced by:

(i) the annual amount (if any) payable from any Other Pension Plan;

(ii) the amount required to be paid by the Company or another Affiliate pursuant to any foreign law or regulation on account of termination or separation from employment, expressed in United States currency; and

(iii) the amount (if any) prescribed by Section 6.4(d);

and the amount determined under subsection (b) above shall be determined after the reduction in the amount determined under subsection (a) described above in this subsection (d).

For purposes of paragraph (i), above, the annual amount (if any) payable from any Other Pension Plan shall be the annual amount of a benefit that is payable in the form of a single life annuity commencing on the first day of the month next following the Employee's Normal Retirement Date, and that is the actuarial equivalent of the same or similar benefit payable at normal retirement age under the Other Pension Plan. For this purpose, actuarial equivalence shall be determined based on an interest rate of 7 percent per annum and the TPF&C 1971 Forecast Mortality Table for Males (with ages set back 2 years in the case of Employees and 4 years in the case of Spouses and Beneficiaries). The reduction required pursuant to paragraph (ii) above shall be applied directly against the amounts otherwise payable under the Plan; and in the case of a participant whose Pension Commencement Date occurs after the date of any payment described in paragraph (ii), the amount of the reduction shall be adjusted to amount equal to the amount of the payment described in paragraph (ii), compounded at an interest rate of 7% per annum from the time of payment until such amount has been completely offset against the participant's pension payments.

6.2 Disability Pension. For an Excluded Employee, the annual Disability Pension payable to a Retired Employee shall be computed in the same manner prescribed in Section 6.1, but without applying any reduction otherwise required under Section 6.1(b).

6.3 Deferred Vested Pension. For an Excluded Employee, the annual Deferred Vested Pension payable after reaching Normal Retirement Age to a former Employee who qualifies for such a Pension shall be computed in the same manner prescribed in Section 6.1, except that the amount determined under Section 6.1(c) shall be:

(a) based on the Accredited Service the former Employee would have had at

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his Normal Retirement Date if his employment with the Affiliates had not been terminated until his Normal Retirement Date, and

(b) then multiplied by the ratio of the Employee's actual Vesting Service to the Vesting Service he would have had at his Normal Retirement Date if his employment with the Affiliates had not been terminated until his Normal Retirement Date.

If such former Employee is eligible, in accordance with Section 5.5, to elect to have his Deferred Vested Pension commence prior to his Normal Retirement Date, and he so elects in accordance with Section 7.8, the amount of such Deferred Vested Pension shall be reduced by multiplying his Deferred Vested Pension at his Normal Retirement Date by the appropriate factor in the Table referenced in Exhibit A.

6.4 Spouse's Pension. This Section applies with respect to Excluded Employees:

(a) The annual Spouse's Pension payable to a Spouse who qualifies for a Spouse's Pension under Section 5.6 shall be the annual amount payable to the Spouse as Beneficiary under the survivor annuity portion of the Qualified Joint and Survivor Annuity with respect to the participant, computed as if the participant had:

(i) terminated employment with the Affiliates on the date of his death (or, if earlier, on the date of his actual termination of employment with the Affiliates),

(ii) elected the first day of the month next following his Normal Retirement Date (or, if later, the first day of the month next following the date of his death) as his Pension Commencement Date, and

(iii) died on his Pension Commencement Date.

Except as provided in subsections (b) and (c), below, the normal Pension Commencement Date of a Spouse's Pension shall be the first day of the month next following the later of the deceased participant's Normal Retirement Date or the date of his death.

(b) In the case of a participant who dies before his Normal Retirement Date while in the service of a Control Group Affiliate (even if his death occurs during the period of Accredited Service described in Section 4.6(d)), the Spouse may elect, in accordance with Section 7.8, that the Pension Commencement Date of the Spouse's Pension shall be the first day of any month before the participant's Normal Retirement Date and after the month of the participant's death. The annual amount of a Spouse's Pension that commences before the participant's Normal Retirement Date in accordance with this subsection (b) shall not be reduced on account of such early commencement.

(c) In the case of a participant who dies before his Normal Retirement Date other than in circumstances described in subsection (b), above, the Spouse may elect, in accordance with Section 7.8, that the Pension Commencement Date of the Spouse's Pension shall be the first day of any month before the participant's Normal Retirement Date and after the month of the participant's death, provided that such first day is on or after the earliest date the participant could have elected as his Pension Commencement

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Date had he survived and terminated employment with the Affiliates on the date of his death (or, if earlier, on the date of his actual termination of employment with the Affiliates). The annual amount of a Spouse's Pension that commences before the participant's Normal Retirement Date in accordance with this subsection (c) shall equal the annual amount payable to the Spouse as Beneficiary under the survivor annuity portion of the Qualified Joint and Survivor Annuity that would have been payable with respect to the participant, computed as if the participant had:

(i) terminated employment with the Affiliates on the date of his death (or, if earlier, on the date of his actual termination of employment with the Affiliates),

(ii) elected as his Pension Commencement Date the date elected by the Spouse in accordance with this subsection (c), and

(iii) died on his Pension Commencement Date.

(d) An Employee may elect to waive, or revoke a prior election to waive, Spouse's Pension coverage in accordance with Section 6A.5(b). Such election or revocation shall be subject to the following terms and conditions:

(i) Any election or revocation shall be made by giving written notice in such form and manner as may be required by the Committee.

(ii) An election or revocation shall be ineffective unless the participant's Spouse consents in writing to such election or revocation. The Spouse's consent must acknowledge the effect of such election and must be witnessed by a notary public or authorized plan representative. The Spouse's consent must acknowledge the effect of the Beneficiary or Beneficiaries (including any class of Beneficiaries and any contingent Beneficiaries) that the participant has designated, if any. Any consent by a Spouse shall be irrevocable unless the participant agrees to a revocation.

(iii) Subsection (d)(ii), above, shall not apply if the Committee determines that the consent required therein cannot be obtained because there is no Spouse, because the Spouse cannot be located, or because of any other circumstances that are specified by regulation, revenue ruling, notice, or other guidance of general applicability issued by the Department of the Treasury.

(iv) Any consent by a Spouse pursuant to subsection (d)(ii), above, shall be effective only with respect to that Spouse. Similarly, any establishment that the consent of a Spouse cannot be obtained for any of the reasons described in subsection (d)(iii), above, shall be effective only with respect to that Spouse.

Spouse's Pension coverage shall be automatic and without charge, and a participant's waiver of Spouse's Pension coverage shall be ineffective, except to the extent that such coverage is waived in accordance with Section 6A.5(b) during the 90-day period ending on the participant's Pension Commencement Date.

(e) The Committee shall provide to each participant eligible to waive Spouse's

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Pension coverage pursuant to subsection (d) hereof, within a reasonable period before or after the date as of which he becomes eligible to waive Spouse's Pension coverage, a written explanation of:

(i) the terms and conditions of the Spouse's Pension;

(ii) the participant's right to elect, and the effect of electing, to waive Spouse's Pension coverage;

(iii) the rights of a married participant's Spouse with respect to that election; and

(iv) the right of the participant to revoke, and the effect of revoking, an election to waive Spouse's Pension coverage.

The Committee shall provide each participant eligible to waive Spouse's Pension coverage pursuant to Section 6A.5(b) with the written explanation described in this subsection (e) at the same time as it provides the written explanation described in Section 6A.5(e) hereof.

6.5 Limitations on Pensions. For an Excluded Employee, the provisions of Section 6A.7 shall apply to limit benefits described in Sections 6.1 through 6.4 of this Article VI.

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ARTICLE VII

PAYMENT OF PENSIONS AND CONDITIONS RELATED THERETO

7.1 Annuity Forms of Payments. All Pensions, except those Pensions paid in a lump sum distribution pursuant to Section 6A.6(b) or 7.6, shall be payable in monthly installments as follows:

(a) The first installment shall be paid to the Retired Employee (or Beneficiary, in the case of a Spouse's Pension or Pre-Retirement Death Benefit) as of the Pension Commencement Date determined in accordance with Articles V, V-A, VI, VI-A and VII;

(b) Where installments are to be paid to a Beneficiary under a Joint-Survivor Pension, the first installment to the Beneficiary shall be paid as of the beginning of the first month following the death of the participant; and

(c) The final installment shall be paid as of the beginning of the month during which the death of the Retired Employee or Beneficiary, as the case may be, occurs, except that Disability Pension installments paid pursuant to Sections 5.4 and 6.2 (but not pursuant to Sections 5A.4 and 6A.3) shall cease before the death of the Retired Employee if and when he ceases to satisfy the disability conditions of Section 5.4 before his Normal Retirement Date. In the event a Retired Employee's Disability Pension (which was paid in other than a lump sum) stops prior to his Normal Retirement Date for a reason other than the Employee's death, the Retired Employee shall be entitled to receive the Service Pension or Deferred Vested Pension to which he is otherwise entitled under Articles V and VI.

(d) A check in payment of a monthly installment may be mailed, in the discretion of the Committee, before the date as of which the payment is made.

7.2 Prohibition Against Alienation of Benefits. The benefits under the Plan may not be anticipated, assigned (either at law or in equity), alienated, or subjected to attachment, garnishment, levy, execution, or other legal or equitable process, provided that:

(a) an arrangement whereby benefit payments are paid to a participant's savings or checking account in a financial institution is not prohibited;

(b) once a participant begins receiving benefits under the Plan, such participant may assign or alienate the right to future payments if such transaction is limited to assignments or alienations that:

(i) are voluntary and revocable,

(ii) with respect to a particular benefit payment, do not in the aggregate exceed 10 percent of such payment, and

(iii) neither are for the purpose, nor have the effect, of defraying administrative costs of the Plan;

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(c) payments made in accordance with a Qualified Domestic Relations Order are not prohibited; and

(d) offsets of a participant's benefit in accordance with section 401(a)(13)(C) of the Code are not prohibited.

For the purposes of subsection (b), above, except as otherwise permitted pursuant to subsection (d), above, an attachment, garnishment, levy, execution or other legal or equitable process is not considered a voluntary assignment or alienation.

7.3 Suspension of Benefits and Calculation of Benefits After Reemployment. The following provisions apply with respect to participants who complete a Paid Hour of Service on or after January 1, 2002, for the period of employment after 2001:

(a) Suspension of Pension During Employment After Normal Retirement Age. Except as otherwise provided in Section 5A.3, Section 5.7 or in a Schedule, no Pension shall be paid or payable to any participant (including a Retired Employee) in any month after his Normal Retirement Age during which he is credited with Suspension Service as described in subsection (a)(ii). Notwithstanding the foregoing, benefits shall be paid to any such participant in any month after his Normal Retirement Age during which he is not credited with Suspension Service, unless the participant has not previously had a Pension Commencement Date and the participant elects, in the manner prescribed by the Committee, to defer his or her Pension Commencement Date until he terminates employment with all Affiliates. This provision shall not apply to any Former Bell Atlantic Employee who was rehired before January 1, 2002 after a benefit commencement date under the Enterprises Plan (or, for an Employee whose benefits were transferred from the Verizon Management Pension Plan to the Plan pursuant to Section 13.1, under the terms of Verizon's Bell Atlantic Cash Balance Plan) and whose benefit was in pay status under the latter plan as of December 31, 2001, unless such Employee terminates and is again rehired on or after January 1, 2002.

(i) Commencement of Payment Following Suspension. Pensions suspended under this subsection (a) shall commence or recommence no later than the earliest of:

(A) the first day of the month next following the date the participant terminates employment with all Affiliates;

(B) the participant's Required Starting Date; or

(C) the first day of the month following the month in which he first fails to have Suspension Service as described in subsection (a)(ii).

Except as provided in Section 5.7 or Section 5A.3, and subject to subsection (e), the participant's Pension shall be calculated under Article VI or VI-A, as appropriate, taking into account Monthly Compensation earned and years of Pension Accrual Service or Accredited Service (if any) credited during such period of Suspension Service, and no actuarial or other adjustment shall be made to the participant's benefit so as to reflect payments suspended with respect to those months during which such participant was credited with

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Suspension Service or with respect to those months in which the participant was not credited with Suspension Service but for which the participant elected to defer payment commencement; provided, however, that such resumed payment shall be offset by any benefit paid with respect to a month in which the participant had Suspension Service where the amount so paid has not been returned or repaid to the Trust Fund by the participant as described in subsection (a)(iii). Notwithstanding anything in this subsection (a) to the contrary, if the Pension of a Former GTE Employee is suspended under this subsection (a) during any period after his Age 65 Normal Retirement Date and prior to June 1, 2004, the amount of his Pension determined under this subsection (a)(i), when applying the formulas described in Article VI or Sections 6A.1(b), (c)(i) and (d)(ii), as applicable, shall not be less than the actuarial equivalent as of May 31, 2004 or the date the suspension ends, if earlier, of the single life annuity that would have been payable to him (or that he could have elected to receive) commencing on the day after his Age 65 Normal Retirement Date (or, if later, the day his benefits were suspended) had his Pension not been suspended. For this purpose, actuarial equivalence shall be determined using an interest rate of 7 percent per annum and the TPF&C 1971 Forecast Mortality Table for Males (with ages set back 2 years).

(ii) Suspension Service. A participant shall be deemed to have Suspension Service in any month which month is after his Normal Retirement Date, but prior to his Required Starting Date, and in which month:

(A) he completes 40 or more Hours of Service for the Company or another Affiliate, if the Plan has for any purpose with respect to the participant used or determined the actual number of Hours of Service completed by the participant for the purpose of crediting Hours of Service, or

(B) he receives payment from the Company or another Affiliate for any Hours of Service (including service described in Section 4A.1(d)) performed on each of 8 or more days (or separate work shifts), if the Plan has not for any purposes with respect to the participant used or determined the number of Hours of Service creditable to the participant by an actual counting of such Hours of Service.

(iii) Offset. To the extent that the Plan has paid benefits to a participant with respect to any month in which he has Suspension Service which amounts have not previously been recovered by the Plan, the Plan shall defer commencement or recommencement of benefits under subsection (a)(i) hereof for a period of 2 calendar months, or until the amounts paid with respect to months in which the participant has Suspension Service have been recovered (without interest), whichever is the first to occur. If, at the end of the said 2-month period there remains an unrecovered amount which was paid to the participant during or with respect to a period of Suspension Service, such amount shall be recovered (without interest) by the Plan by reducing each benefit payment due the participant or the participant's Beneficiary after benefit commencement or recommencement by the lesser of:

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(A) the excess of the amount of the benefits paid to the participant with respect to months in which the participant had Suspension Service over the amount of such benefits which have been restored to, or recovered by, the Plan, or

(B) 25% of the participant's monthly (or periodic) benefit payments.

(iv) Notifications. No payment shall be withheld or suspended by the Plan pursuant to this subsection (a) until the Plan has notified the participant by personal delivery or first class mail of the fact that such withholding or suspension is occurring or will occur. Such notification will contain a detailed description of the specific reasons why benefit payments are being suspended or withheld, a general description of the Plan provisions relating to the suspension of benefit payments, a copy of such provisions, and a statement that the applicable Department of Labor regulations governing suspensions of benefits may be found at Title 29, Code of Federal Regulations, ss.2530.203-3. The notification shall also advise the participant to whom directed of the Plan's procedure for affording a review of the suspension of benefits.

(b) Suspension of Payment Following Rehire Prior to Normal Retirement Age. If a participant is reemployed by an Affiliate after his Pension Commencement Date and prior to his Normal Retirement Age, benefits otherwise payable to the participant shall be suspended under this subsection (b) during the participant's period of reemployment prior to his Normal Retirement Age. If the reemployed participant continues in employment beyond his Normal Retirement Age, such participant's benefits shall continue to be suspended in accordance with subsection (a) and shall recommence as described in that subsection. If the reemployed participant again terminates employment with all Affiliates prior to his Normal Retirement Age, the participant's benefits, recalculated, subject to subsection (e), taking into account Monthly Compensation and years of Pension Accrual Service or Accredited Service (if any) earned during the period of suspension, shall commence to be paid pursuant to Articles V, V-A, VI and VI-A, as applicable, as if the participant had not previously elected a Pension Commencement Date. In either event, the participant's benefits upon recommencement shall not be reduced to reflect monthly benefits paid before the participant's Normal Retirement Age. This provision shall not apply to any Former Bell Atlantic Employee who was rehired before January 1, 2002 after a benefit commencement date under the Enterprises Plan (or, for an Employee whose benefits were transferred from the Verizon Management Pension Plan to the Plan pursuant to Section 13.1, under the terms of Verizon's Bell Atlantic Cash Balance Plan) and whose benefit was in pay status under the latter plan as of December 31, 2001, unless such Employee terminates and is again rehired on or after January 1, 2002.

(c) Form of Payment of Recommenced Benefits. A participant whose benefits have been suspended during a period of reemployment shall be entitled to elect the form of payment for his entire benefit, including amounts accrued both before and during reemployment, in accordance with Article VI or VI-A, as applicable. Any Former Bell Atlantic Employee for whom benefits have not been suspended shall be entitled, upon his subsequent termination of employment with all Affiliates, to elect the form of payment only with respect to the portion of his benefit earned during his reemployment, if any.

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(d) Social Security Supplements. Social security supplement payments shall be suspended under this Section 7.3 as described in subsections (a) and (b), above. However, social security supplement payments will not resume when the reemployed participant again terminates employment with all Affiliates, unless such termination occurs prior to the date the social security supplement payments were originally scheduled to end. If suspended pension payments resume under this Section 7.3 before the social security supplement payments were scheduled to end, social security supplement payments shall also resume at the same monthly rate in effect prior to the suspension. There shall be no increase in the amount of the participant's monthly social security supplement payment and no extension of the period over which the social security supplement payments are payable by reason of the period of suspension.

(e) Calculation of Benefits for Reemployed Participants. Notwithstanding anything in subsections (a) through (d), above, or any other provision of the Plan to the contrary other than Section 5A.3 or 5.7, the following rules shall apply for purposes of calculating the Pension payable under Article VI or VI-A, as applicable, to a rehired participant on a Pension Commencement Date following his subsequent termination of employment with all Affiliates:

(i) Prior Lump Sum Based on Annuity. If the participant previously received a lump sum payment of all or any portion of his Pension, and the lump sum was determined based on the present value of a benefit under an annuity-based formula (and not on the basis of his cash balance account under the Plan or a Prior Plan):

(A) the benefit payable to the participant in the form of a single life annuity following his subsequent termination of employment with all Affiliates, under any annuity-based formula described in Article VI or VI-A that is applicable to the participant, shall be reduced by the amount of the single life annuity on which the prior lump sum payment was based; and

(B) the benefit payable to the participant in the form of a single life annuity following his subsequent termination of employment with all Affiliates, from the participant's Cash Balance Account described in Article VI-A, shall equal:

(I) if the participant previously received a lump sum distribution of his entire accrued benefit that was paid under the Plan or a Prior Plan, the single-life actuarial equivalent as of the Pension Commencement Date of the sum of the Pay Credits and Interest Credits that have been credited to the participant's Cash Balance Account under the Plan or a Prior Plan since his rehire date;

(II) if the participant previously received a lump sum distribution of part of his accrued benefit under the Plan or under a Prior Plan, the single-life actuarial equivalent as of the Pension Commencement Date of the sum of (a) the percentage

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of the participant's accrued benefit that was not previously cashed-out multiplied by the participant's Cash Balance Account under the Plan or the Prior Plan at the prior Pension Commencement Date, increased with Interest Credits (but not Pay Credits) since the prior distribution, plus (b) the sum of the Pay Credits and Interest Credits that have been credited to the participant's Cash Balance Account under the Plan or the Prior Plan since the participant's rehire date.

(ii) Prior Lump Sum Based on Cash Balance Account. If the participant previously received a lump sum payment of all or any portion of his Pension, and the lump sum was determined based on the balance of the participant's Cash Balance Account under the Plan or a Prior Plan:

(A) the benefit payable to the participant in the form of a single life annuity following his subsequent termination of employment with all Affiliates, under any annuity-based formula described in Article VI-A that is applicable to the participant, shall be reduced by the single-life actuarial equivalent as of the Pension Commencement Date of the participant's cash balance account under the relevant plan as of his prior Pension Commencement Date increased for Interest Credits (but not Pay Credits) since the prior distribution.

(B) the benefit payable to the participant in the form of a single life annuity following his subsequent termination of employment with all Affiliates, from the participant's Cash Balance Account described in Article VI-A, shall equal:

(I) if the participant previously received a lump sum distribution of his entire accrued benefit, the single-life actuarial equivalent as of the Pension Commencement Date of the sum of the Pay Credits and Interest Credits that have been credited to the participant's Cash Balance Account under the Plan or the Prior Plan since his rehire date; or

(II) if the participant previously received a lump sum distribution of part of his accrued benefit, the single-life actuarial equivalent as of the Pension Commencement Date of the sum of (a) the percentage of the participant's accrued benefit that was not previously cashed-out multiplied by the participant's Cash Balance Account under the Plan or the Prior Plan at the prior Pension Commencement Date, increased with Interest Credits (but not Pay Credits) since the prior distribution, plus (b) the sum of the Pay Credits and Interest Credits that have been credited to the participant's Cash Balance Account under the Plan or the Prior Plan since the participant's rehire date.

(iii) If the participant is a Former Bell Atlantic Employee who has continued to receive annuity payments during his period of reemployment, the benefit payable to the participant in the form of a single life annuity following

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his subsequent termination of employment with all Affiliates, under any annuity-based formula described in Article VI-A that is applicable to the participant, shall be reduced by the amount of the single life annuity on which the annuity payments are based.

(iv) In a case in which a participant has a series of events involving terminations and reemployments or changes in coverage among this Plan, a Prior Plan or any other defined benefit pension plan maintained by an Affiliate, and the effect of such series of events is not specifically covered under this subsection (e), the Pension of such participant shall be determined in a manner consistent with the provisions of this subsection (e).

(v) Notwithstanding the adjustments described in this subsection (e), the periodic amount of a rehired Employee's Pension payable on a Pension Commencement Date following his subsequent termination of employment shall not be less than the periodic amount of the Pension payable in the same form to which he was entitled under the Plan or a Prior Plan, as applicable, including the provisions of any enhanced retirement program, when he initially Retired.

7.4 Provision of Necessary Information. The Committee may request an Employee, former Employee, Retired Employee, or Beneficiary to furnish it with such information as it considers reasonably necessary or appropriate for the proper administration of the Plan or the payment of a Pension. In the event that an Employee, former Employee, Retired Employee, or Beneficiary fails to furnish any such information that is necessary to the calculation or payment of a Pension and that is not reasonably available from alternative sources, the Committee shall withhold payment of the Pension until the information is provided.

7.5 Transfer Between Affiliates. Any Employee whose employment is transferred from one Affiliate to another Affiliate shall not by reason of such transfer be eligible for Early Retirement or a Deferred Vested Pension or Vested Pension under this Plan. However, upon the conclusion of the Employee's employment with the Affiliates, he shall be entitled to the Pension, if any, for which he is eligible on the basis of his Average Annual Compensation, Vesting Service, Accredited Service, Net Credited Service and Pension Accrual Service at that time, calculated in accordance with the provisions of this Plan.

7.6 Mandatory Lump Sum Distribution of Small Benefits.

(a) If a former Employee is entitled to a Deferred Vested Pension or a Vested Pension and the actuarial present value of such Pension does not exceed $3,500 the former Employee shall receive such Pension as soon as administratively practicable in the form of a lump sum payment equal to the actuarial present value of the Pension otherwise payable to him under the Plan. If a Spouse is entitled to a Spouse's Pension, or a Beneficiary is entitled to a Pre-Retirement Death Benefit, and the actuarial present value of such Spouse's Pension or Pre-Retirement Death Benefit does not exceed $3,500, the Spouse shall receive such Spouse's Pension, or the Beneficiary shall receive such Pre-Retirement Death Benefit in the form of a lump sum payment equal to the actuarial present value of the Spouse's Pension otherwise payable to the Spouse, or the Pre-Retirement Death Benefit otherwise payable to the Beneficiary, under the Plan.

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(b) For purposes of subsection (a), above, the actuarial present value of a Deferred Vested Pension, Vested Pension, Spouse's Pension or Pre-Retirement Death Benefit shall be determined as described in Exhibit A.

(c) If a participant has a Separation From Service Date before the participant has earned a nonforfeitable right to a Pension, the participant shall be deemed to have received a distribution of his entire nonforfeitable accrued benefit of zero dollars as of his Separation From Service Date, and the accrued benefit shall be cancelled. If a participant described in the immediately preceding sentence resumes employment with an Affiliate at a later date, he shall be deemed to have repaid to the Plan the prior payment of zero dollars and his accrued benefit shall be restored on the date he resumes employment.

7.7 Minimum Distributions Required Under Code Section 401(a)(9). The following subsections limit the timing of Pension distributions under the Plan:

(a) Any Pension that is payable to a participant hereunder shall be distributed or commence not later than the participant's Required Starting Date. The Pension shall be distributed, in accordance with section 401(a)(9) of the Code (including the incidental benefit rules applicable thereunder),

(i) in a lump sum (to the extent otherwise permitted under the Plan, including, without limitation, under Section 6A.6(b) or 7.6),

(ii) over the life of the participant,

(iii) over the lives of the participant and the participant's Beneficiary,

(iv) over a period not extending beyond the participant's life expectancy, or

(v) over a period not extending beyond the joint and last survivor expectancy of the participant and the participant's Beneficiary.

If the participant's entire interest is to be distributed over a period of more than one year, then the amount to be distributed each year shall be no less than the amount prescribed under section 401(a)(9) of the Code.

(b) If the distribution of the participant's Pension has commenced in conformity with subsection (a), above, and the participant dies before his entire Pension has been distributed to him, the remaining portion of his Pension shall be distributed to his Beneficiary at least as rapidly as under the method of distribution that was in effect as of the date of the participant's death.

(c) Subject to subsection (d), below, if the participant dies before distribution of his Pension has commenced, any Pension that is payable under the terms of the Plan shall be distributed within five years after the participant's death.

(d) Subsection (c), above, shall not apply to:

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(i) any portion of the participant's Pension payable to (or for the benefit of) a Beneficiary that is distributed (in accordance with section 401(a)(9) of the Code) over the Beneficiary's life (or a period not extending beyond his life expectancy) commencing within one year after the date of the participant's death (or such later date as may be prescribed under section 401(a)(9) of the Code), or

(ii) any portion of the participant's Pension payable to his Spouse that is distributed over the Spouse's life (or a period not extending beyond the Spouse's life expectancy) commencing no later than the date on which the participant would have attained age 70 1/2; provided that if the Spouse dies before payments to such Spouse begin, subsections (c) and (d) shall apply as if the Spouse were the participant; and further provided that any amount paid to the child of the participant shall be treated as if it had been paid to the Spouse of the participant if such amount is payable to the Spouse upon such child's reaching majority (or such other event as may be prescribed by the regulations under section 401(a)(9) of the Code).

(e) For purposes of this Section 7.7, the life expectancy of the participant and his Spouse shall be recomputed on an annual basis, but the life expectancy of any non-spouse Beneficiary shall be computed only on the date as of which the distribution commences.

(f) This Section 7.7 shall apply notwithstanding any other provision of the Plan. The sole purpose of this Section 7.7 is to limit the manner in which the benefit payments may be made under the Plan in accordance with section 401(a)(9) of the Code. This Section 7.7 does not confer any rights or benefits upon any participant, Spouse, Beneficiary, or any other person.

(g) This Section 7.7 shall not apply to any method of distribution designated in writing by a participant under the terms of the Plan or a Prior Plan before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act of 1982 (as in effect before the amendments made by the Tax Reform Act of 1984).

(h) Any participant who does not elect a form of distribution before his distribution is required to commence under this Section 7.7 shall receive the distribution in the form provided for under Section 6A.5(a).

(i) Notwithstanding anything in subsection (a) through (h) to the contrary, the following rules shall apply to participants who reach age 70-1/2 in 2001 or later while employed by an Affiliate:

(i) Pension Commencement Date. Distribution of the Pension of a participant described in this subsection (i) shall begin with a Pension Commencement Date no later than January 1 of the calendar year following the calendar year in which the participant attains age 70-1/2, or acquires a nonforfeitable right to Pension, if later, and the balance of the participant's Cash Balance Account, if any, shall be set to zero as of such Pension Commencement Date.

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(ii) Form of Payment. A Participant may elect to have payment made in any payment form available to the participant under Section 6A.5 or 6A.6 as of his Pension Commencement Date. If the Participant fails to elect to receive payment in a particular payment form, the participant shall receive distribution in the form provided for under Section 6A.5(a).

(iii) Amount of Payment and Adjustment for Additional Accruals. The benefit paid to the participant as of the Pension Commencement Date described in paragraph (i) shall be determined based on the participant's accrued benefit under the Plan or the applicable Prior Plan as of the December 31 immediately prior to such Pension Commencement Date. If, as of any subsequent January 1, the participant is still an employee of an Affiliate, the Plan administrator shall commence a distribution, as of such January 1, of any additional amounts accrued by the participant after the preceding January 1, in the same optional payment form applicable to prior distributions. An adjustment similar to that described in the preceding sentence shall be made as of the day following the participant's termination of employment with all Affiliates.

7.8 Early Commencement Election. Notwithstanding any other provision in the Plan, and subject to the provisions of Section 6A.5 and Section 7.6, the participant (or his Spouse, in the case of a Spouse's Pension or a Pre-Retirement Death Benefit) may elect a Pension Commencement Date that precedes the normal Pension Commencement Date if he is otherwise eligible to do so under the terms of the Plan. The election shall be in writing, in a form acceptable to the Committee, and executed and filed with the Committee during the 90-day period ending on the Pension Commencement Date (or during such other period permitted or required by law).

7.9 Required Commencement. Subject to Plan provisions which require an earlier distribution, unless the participant elects a later date (by failing to make application for benefits or otherwise), payment of a participant's Pension under the Plan shall commence no later than sixty (60) days after the close of the Plan Year in which the latest of the following events occurs: (a) the participant attains the earlier of age 65 or Normal Retirement Age, (b) the 10th anniversary of the year in which the participant commenced participation in the Plan occurs, or (c) the participant terminates employment with all Affiliates.

7.10 Settlement of Claims or Litigation. Benefits payable from the Plan shall include benefits required to be paid pursuant to the terms of an agreement relating to settlement of a claim or lawsuit with respect to a participant's or beneficiary's entitlement to benefits under the Plan. Such benefits shall be paid at such time and in such form, and shall be subject to such limits, as apply to other similar benefits provided by the Plan.

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ARTICLE VIII

FUNDING

8.1 Establishment of Pension Fund. The Company, with the approval of the Board, shall establish a Pension Fund for the purpose of funding the Pensions under the Plan. The Pension Fund shall consist of one or more Trust Funds and/or one or more arrangements with insurance companies for the funding of Pensions.

8.2 Trust Agreement. Each Trust Fund shall be established and maintained pursuant to a Trust Agreement that contains such provisions as the Company shall determine. The terms of each Trust Agreement are hereby incorporated into and made a part of the Plan.

8.3 Insurance Arrangements. Each arrangement with an insurance company shall be established and maintained pursuant to a written contract or policy between the Company and an insurance company qualified to do business in a State, which shall contain such provisions as the Company shall determine.

8.4 Contributions. The Company intends to make contributions to the Pension Fund sufficient to comply with the minimum funding standards imposed by the Code. The Company's contributions shall be determined annually, or more frequently, by the Board. Each contribution made to the Plan shall be made on the condition that it is currently deductible under section 404 of the Code for the taxable year with respect to which the contribution is made and without regard to any subsequent amendment improving benefits under the Plan.

8.5 Exclusive Benefit. Except as provided in this Section 8.5 and in Sections 8.6 and 9.6, all Company contributions to the Pension Fund and all property of the Pension Fund, including income from investments and other sources, shall be used for the exclusive benefit of Employees, Retired Employees, former Employees, and Beneficiaries and shall be used to provide benefits under the Plan and to pay the reasonable expenses of administering the Plan and the Pension Fund, except to the extent that such expenses are paid by the Company. Any forfeitures arising under the Plan shall be applied to reduce the Company's contributions to the Pension Fund and shall not be used to increase the Pension or other benefit that any Employee, Retired Employee, former Employee, or Beneficiary would otherwise be entitled to receive under the Plan. Except as provided in Section 8.6, it shall be impossible at any time before the satisfaction of all liabilities under the Plan for any portion of the Pension Fund to be used for, or diverted to, purposes other than the exclusive benefit of Employees, Retired Employees, former Employees, and Beneficiaries; provided, however, that after all liabilities under the Plan have been satisfied, any assets remaining in the Pension Fund that are attributable to erroneous actuarial computations shall be distributed to the Company, except as otherwise required by section 4044(d)(3)(A) of ERISA.

8.6 Return of Contributions. Notwithstanding any other provisions of the Plan, the Company shall be entitled upon request to the return of any contribution made to the Pension Fund (adjusted, in the case of any contribution described in subsection (a) or (c), below, to reflect any investment losses allocable thereto, but not to reflect any investment gains allocable thereto):

(a) within one year after the payment of the contribution, in the case of a contribution made by mistake of fact;

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(b) within one year after the date of denial of the Plan's initial qualification, if the contribution is conditioned on initial qualification of the Plan under section 401(a) of the Code; or

(c) within one year after the disallowance of the deduction, to the extent the deduction is disallowed, if the contribution is conditioned on the deductibility of the contribution under section 404 of the Code.

8.7 Post-Retirement Health Benefits. Post-retirement health benefits previously funded under the Enterprises Plan may be paid under this Section, in the manner provided under Code section 401(h), to any former Enterprises Plan participant who is receiving benefits under this Plan, and, if applicable, to the spouse and dependents of such participant. This provision does not obligate the Company to maintain its post-retirement health plans, and the Company shall retain the same ability to amend or terminate such post-retirement health plans as if this Section 8.7 did not exist.

(a) Terms of Health Plans Are Applicable. Any person claiming post-retirement health benefits under this Plan must meet all requirements imposed in the post-retirement health plans maintained by the applicable Company. All determinations of benefit levels and eligibility for benefits shall be made pursuant to the terms of such post-retirement health plans.

(b) Benefits Provided.

(i) Funds May Be Used for Any Medical Benefits. Benefits under this Section shall initially be limited to premium payments for Medicare Part B coverage; provided, however, that at the election of the Committee, payment of any sickness, accident, hospitalization, or other medical expense (as defined for purposes of section 213 of the Code) of eligible employees, spouses and dependents shall be permitted. Benefits under this Section may, in the discretion of the Treasurer of Verizon, include any covered benefit under any post-retirement health benefit plan of the Company which constitutes a "medical expense" (within the meaning of Code section 213) for eligible employees or their covered dependents.

(ii) Benefits May Be Self-Insured or Insured. Benefits under this Section shall be provided using any method or combination of methods as the Committee shall deem appropriate, including, but not limited to, purchase of insurance and the payment of premiums for such insurance, direct reimbursement of costs incurred by the person providing such benefits or reimbursement to the individual to whom such benefits were provided.

(iii) No Discrimination in Favor of Officers or Highly-Compensated Employees. Benefits and coverage under this Section shall not be discriminatory in favor of officers, shareholders, supervisory employees or highly compensated employees.

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(c) Establishment of Accounts.

(i) Separate Account. A separate account shall be maintained with respect to contributions to fund benefits under this Section. This account is to be maintained for accounting purposes only. Funds accounted for in such account may be invested on a commingled basis with pension benefit contributions under this Plan without identification of which investments are allocable to each account, provided that earnings on all Plan assets are allocated in a reasonable manner.

(ii) If Top Heavy Rules Apply. With respect to each Key Employee, as defined in Article XV of the Plan, a separate account shall be maintained for post-retirement health benefits payable to such Key Employee and, if applicable, the Key Employee's spouse and dependents. Benefits under this Section (to the extent attributable to Plan Years for which the individual is a Key Employee) shall be payable to such Key Employee, spouse and dependents only from such account. The separate account maintained under this paragraph shall be a true separate account, and not maintained merely for accounting purposes. Commingling of assets held in such account with any other Plan assets is not permitted. For purposes of section 415 of the Code, contributions allocated to any separate account under this paragraph shall be treated as an annual addition to a defined contribution plan.

(d) Funding.

(i) May Be Contributory or Non-Contributory. Contributions to provide benefits under this Section shall be non-contributory, but the Committee has the discretion to amend this Plan at any time to provide that any such contributions may be contributory, in accordance with the terms of the post-retirement health plan maintained by the Company.

(ii) Reasonable and Ascertainable. Amounts contributed to fund post-retirement health benefits shall be reasonable and ascertainable. The total amount contributed to fund post-retirement health benefits under this Section shall not exceed the cost of providing such benefits. The total cost of providing such benefits shall be determined in accordance with a generally accepted actuarial method selected by the Committee which is reasonable in view of the provisions and coverage of the Plan, the funding medium and other relevant considerations, including, but not limited to, applicable Treasury regulations. For purposes of determining the cost of provided post-retirement health benefits, the actuarial method may take into account reasonable projected increases in the cost of providing health benefits.

(iii) Incidental and Subordinate to Pension Benefits. Post-retirement health benefits provided under this Section, when added to life insurance protection provided under the Plan, shall be incidental and subordinate to pension benefits provided under the Plan. For purposes of this Section, post-retirement health benefits shall be considered incidental and subordinate if the aggregate of the actual contributions for post-retirement health benefits provided under this Section and under the Enterprises Plan plus the actual contributions for life insurance protection under the Enterprises Plan prior to

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December 1, 2001 and under this Plan on or after December 1, 2001 does not exceed 25 percent of the total contributions (other than for past service credit) made to the Enterprises Plan after 1989 and before December 1, 2001 and the Plan after November 30, 2001 (other than for past service credit).

(iv) No Diversion to Other Purposes. Until the satisfaction of all liabilities to be provided under this Section, neither amounts contributed to fund post-retirement health benefits under this Section nor earnings thereon shall be used for or diverted to any purpose other than providing such benefits or payment of necessary or appropriate expenses attributable to the administration of post-retirement health accounts under this Section. Any amounts contributed to fund health benefits under this Section 8.7 remaining in a post-retirement health account after the satisfaction of all liabilities arising under this Section 8.7 must be returned to the appropriate Company.

(v) No Obligation to Pay Benefits in Excess of Funded Assets. Nothing in this Section shall obligate the Company to pay benefits described in this Section to the extent those benefits exceed assets contributed to the Trust Fund to provide post-retirement health benefits under this Section 8.7. Furthermore, nothing in this Section 8.7 shall imply that amounts contributed to the Trust Fund to provide pension or other benefits (other than post-retirement health benefits) available under the Plan will be used to provide post-retirement health benefits under this Section.

(vi) Forfeitures. In the event an individual's interest in the account maintained under this Section is forfeited prior to termination of the Plan, an amount equal to the forfeiture must be applied to reduce Company contributions to fund the benefits described in this Section.

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ARTICLE IX

FIDUCIARY RESPONSIBILITIES AND PLAN ADMINISTRATION

9.1 Allocation of Fiduciary Responsibilities. Fiduciary responsibilities in connection with the Plan shall be allocated in accordance with the provisions of this Article IX and shall be carried out in accordance with the Plan and applicable law. It is intended that, to the extent permitted by applicable law, each fiduciary shall be obligated to discharge only the responsibilities assigned to him and that he shall not be charged with the responsibilities assigned to any other fiduciary.

9.2 Employee Benefits Committee.

(a) Effective April 2, 2001, the Bell Atlantic Corporate Employees' Benefits Committee ("CEBC") and the GTE Employee Benefits Committee ("EBC") were merged to form the Verizon Employee Benefits Committee ("VEBC"). The powers, authority, responsibilities and discretion of the Chairperson of the VEBC shall include those previously held by the Chairperson of the CEBC and EBC.

(b) The most senior Human Resources officer of Verizon shall serve as the Chairperson of the VEBC. The VEBC shall consist of not less than three or more than 11 persons to be appointed by and serve at the pleasure of the Board of Directors of Verizon Corporate Services Group Inc. or the Chairperson of the VEBC.

9.3 Committee Action by Majority Vote. The Employee Benefits Committee may act, with or without a meeting, by a vote of a majority of its members then in office. In addition, the chairperson of the Employee Benefits Committee has full authority to act on behalf of the Committee.

9.4 Plan Administrator. The Employee Benefits Committee shall be the Plan administrator and shall be responsible for the administration of the Plan. In addition to any implied powers that may be necessary or appropriate to the conduct of its affairs, the Committee shall have the following powers, including the discretionary power:

(a) to make and enforce such rules and regulations as it shall determine to be necessary or proper for the administration of the Plan;

(b) to interpret the Plan and to decide all matters arising thereunder, including the right to remedy possible ambiguities, inconsistencies, and omissions;

(c) to determine the right of any person to benefits under the Plan and the amount of such benefits;

(d) to issue instructions to a Trustee or insurance company to make disbursements from the Pension Fund, and to make any other arrangement necessary or appropriate to provide for the orderly payment and delivery of disbursements from the Pension Fund;

(e) to delegate to other persons (including relevant persons on the Company's or Verizon's Human Resources staff) such of its responsibilities as it may determine;

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(f) to retain an Enrolled Actuary;

(g) to employ suitable agents, actuaries, auditors, legal counsel, and other advisers as it may determine;

(h) to allocate among its members such of its responsibilities as it may determine; and

(i) to prepare, file, and distribute such forms, statements, descriptions, returns, and reports relating to the Plan as may be required by law.

(The chairperson of the Employee Benefits Committee shall have the authority to (i) designate a chairperson of an appeals committee to hear ERISA benefit appeals and to define the scope of that chairperson's responsibilities and authority with respect to such committee and benefit claims in general and (ii) designate various employees within the Company and its Affiliates to carry out the administrative responsibilities relating to the Plan. The chairperson of the Employee Benefits Committee has delegated ERISA claims and appeals responsibility to the Verizon Claims Review Committee. The chairperson of the Verizon Claims Review Committee has, in turn, delegated initial claims responsibility to the Pension Plan Administrator, which consists of the Benefits Center Claims Review Unit and/or certain subject matter experts within Verizon's Human Resources Department, but only to the extent that the Verizon Claims Review Committee has determined it will not decide the initial claim itself.)

9.5 Committee Reliance on Professional Advice. The Committee is authorized to obtain, and act on the basis of, tables, valuations, certificates, opinions, and reports furnished by an Enrolled Actuary, accountant, legal counsel, or other advisers.

9.6 Plan Administration Expenses. All reasonable expenses of administering the Plan (including, without limitation, the expenses of the Employee Benefits Committee) shall be paid out of the assets of the Pension Fund, except to the extent paid by the Company without request by the Company for reimbursement from the Pension Fund.

9.7 Responsibilities of Trustees. Each Trustee shall be responsible for the custody of the assets assigned to it, making disbursements at the order of the Employee Benefits Committee, and accounting for all receipts and disbursements with respect to the Plan.

9.8 Investment Management by Trustee. Each Trustee shall be responsible for managing the investment of the portion of the Pension Fund in its custody, or any part thereof, when directed to do so in accordance with the terms of the Trust Agreement.

9.9 Allocation of Investment Management Responsibilities. Whether investment of the Plan assets held by a Trustee shall be managed by the Trustee, or by one or more investment managers, or whether both the Trustee and one or more investment managers are to participate in investment management and, if so, how investment responsibility is to be divided shall be determined in accordance with the Trust Agreement.

9.10 Appointment and Removal of Investment Managers. The appointment or removal of any investment manager shall be accomplished in accordance with the Trust

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Agreement. Each investment manager shall be responsible for managing the investment of such portion of the Pension Fund as shall be placed under its management pursuant to any investment management agreement entered into in accordance with the Trust Agreement.

9.11 Ascertainment of Plan Financial Needs. The pension finance group of Verizon shall have the sole fiduciary responsibility for periodically ascertaining the financial needs of the Plan, including the Plan's liquidity needs, and shall convey the pertinent information to the Trustee and/or investment managers responsible for managing the investments of the Pension Fund.

9.12 Delegation of Company's Duties. Verizon Corporate Services Group Inc. or Verizon shall designate such of its officers or other employees as it shall consider appropriate to carry out its duties under the foregoing Sections 9.8, 9.9, 9.10 and 9.11.

9.13 Benefit Claim Procedure.

(a) If an individual is denied any benefits (in whole or in part) to which he believes he is entitled under the Plan, he may file a claim for benefits as set forth herein. Any claim for benefits under the Plan shall be delivered in writing by the claimant to the Pension Plan Administrator designated by the Committee, by the chairperson of the Employee Benefits Committee, or the chairperson of the Verizon Claims Review Committee. The claim shall identify the benefits requested and shall include a statement of the reasons why the benefits should be granted. The Pension Plan Administrator shall grant or deny the claim. If the claim is denied in whole or in part, the Pension Plan Administrator shall give written notice to the claimant, setting forth: (i) the reasons for the denial, (ii) specific reference to pertinent Plan provisions on which the denial is based, (iii) a description of any additional material or information necessary for the perfection of the claim and an explanation of why such material or information is necessary, (iv) an explanation of the Plan's claim review procedure, and (v) the time limits applicable to the Plan's claim review procedure, including a statement of the claimant's right to bring a civil action under section 502(a) of ERISA following an adverse determination upon review. The notice described in the preceding sentence shall be furnished to the claimant within a period of time not exceeding 90 days after receipt of the claim; except that such period of time may be extended, if special circumstances should require, for an additional 90 days commencing at the end of the initial 90-day period. Written notice of such an extension shall be given to the claimant before the expiration of the initial 90-day period and shall indicate the special circumstances requiring the extension and the date by which the final decision is expected to be rendered. In exercising its responsibilities pursuant to this Section 9.13, the Pension Plan Administrator shall have the discretionary power to interpret the Plan and to decide all matters arising thereunder, including the right to remedy possible ambiguities, inconsistencies, and omissions.

(b) A claimant who has been denied a claim for benefits, in whole or in part, may, within a period of 60 days after receipt of notice thereof, request a review of such denial by filing a written notice of appeal with the Verizon Claims Review Committee (the "VCRC"). In connection with an appeal, the claimant (or his duly authorized representative) may review documents and other information relevant to the claim (copies of which shall be provided free of charge upon request) and may submit evidence and arguments in writing to the VCRC. The VCRC shall decide the

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questions presented by the appeal, either with or without holding a hearing, and shall issue to the claimant a written notice setting forth: (i) the specific reasons for the decision, (ii) the specific reference to pertinent Plan provisions on which the decision is based, (iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim, and (iv) a statement of the claimant's right to bring an action under section 502(a) of ERISA. The notice described in the preceding sentence shall be issued within a period of time not exceeding 60 days after receipt of the request for review; except that such period of time may be extended, if special circumstances (including, but not limited to, the need to hold a hearing) should require, for an additional 60 days commencing at the end of the initial 60-day period. Written notice of such an extension shall be provided to the claimant before the expiration of the initial 60-day period and shall indicate the special circumstances requiring the extension and the date by which the decision on review is expected to be rendered. The decision of the VCRC shall be final and conclusive.

(c) Notwithstanding the foregoing provisions of this Section 9.13, the Plan shall process claims for benefits in accordance with the requirements of Department of Labor regulations section 2560.503-1.

9.14 QDRO Procedures. A delegate of the Committee within the Verizon Human Resources Department shall establish written procedures to determine the qualified status of domestic relations orders and to administer distributions under Qualified Domestic Relations Orders. Such procedures shall be consistent with any regulations prescribed under section 206(d) of ERISA. In the case of any domestic relations order received by the Plan on or after January 1, 1985, such delegate shall promptly notify the participant and any other alternate payee (as defined in section 206(d)(3)(K) of ERISA) of the receipt of such order and the procedures for determining the qualified status of domestic relations orders. Within a reasonable period after receipt of such order, the Committee's delegate shall determine whether such order is qualified and shall notify the participant and each alternate payee of such determination. During any period in which the qualified status of a domestic relations order is being determined (by the Committee's delegate, by a court, or otherwise), the Committee's delegate shall direct the Trustee to account separately for the amounts that would have been payable to each alternate payee if the order had been determined to be a Qualified Domestic Relations Order. If within 18 months of the receipt of the order, the order (or modification thereof) is determined to be a Qualified Domestic Relations Order, the Committee's delegate shall direct the Trustee to pay the segregated amounts (plus any interest thereon) to the person or persons entitled thereto. If within 18 months of the receipt of the order, it is determined that the order is not qualified, or the issue as to whether the order is qualified is not resolved, then the Committee's delegate shall direct the Trustee to pay the segregated amounts (plus any interest thereon) to the person or persons who would have been entitled to such amounts if there had been no order. Any determination that an order is qualified that is made after the close of the 18-month period shall be applied prospectively only.

9.15 Service in Multiple Fiduciary Capacities. Any person or group of persons may serve in more than one fiduciary capacity with respect to the Plan in accordance with section 402(c)(1) of ERISA.

9.16 Assistance Following Change in Control. After the date on which a Change in Control occurs under Article XI-A, any participant or beneficiary may apply to the trustee

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of the GTE Benefits Protection Trust for assistance (which may include without limitation legal counsel and the institution of litigation) in enforcing his rights and pursuing any claims he might have under the terms of the Plan; provided that any participant or beneficiary who applies for such assistance shall be subject to and bound by any limitations and conditions that said trustee may impose. No participant or beneficiary shall be required to notify or seek the assistance of said trustee as a condition of or prerequisite to the filing of a claim under Section 9.13 or any other action that might be taken by or on behalf of the participant or beneficiary in order to enforce his rights or pursue his claims under the Plan, and the fees, expenses and costs that the participant or beneficiary may incur in connection with any such other action shall not be the responsibility of the GTE Benefits Protection Trust or the trustee thereof.

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ARTICLE X

COSPONSORSHIP OF PLAN BY AFFILIATES AND MERGERS WITH AFFILIATE PLANS

10.1 Cosponsorship of Plan by Affiliates. Any Affiliate may join in this Plan as a cosponsor with the approval of an officer of the Company, an Authorized Individual, or any Human Resources officer (vice president or above) of Verizon. A list of the Affiliates that have become cosponsors of the Plan pursuant to this Section 10.1, together with the respective effective dates of their cosponsorship, shall be maintained by the Committee. Notwithstanding anything in this Section 10.1 to the contrary, the following Affiliates shall not be cosponsors of the Plan: (a) Verizon Avenue, (b) BBNT related companies (including Verizon Technology Corporation, BBNT Solutions LLC, and Federal Network Systems LLC), (c) any Affiliate that is a cosponsor of the Verizon Management Pension Plan, and (d) any other Affiliate that has a benefit structure that has been designed to not include the benefits described in the Plan.

10.2 Merger with Plan of Affiliate.

(a) Any other pension or retirement plan, sponsored by an Affiliate, may be merged into this Plan, with this Plan as the surviving instrument, with the specific approval of the Board and, if applicable, the board of directors (or other governing body, if applicable) of the Affiliate. Thereupon, if the employer sponsoring the merged plan is an Affiliate, the Affiliate shall become a cosponsor of the Plan, included in the definition of Company hereunder. In any such case, the Plan shall remain a single plan with any and all of its assets derived from Company contributions (regardless of the entity to whose contributions such assets can be traced) available to pay the benefits of each participant and Beneficiary hereunder and any other liabilities of the Plan.

(b) The assets of the merged plan shall be transferred to the Trustee and be assets of the Plan, and the liabilities of the merged plan shall be liabilities of the Plan.

(c) Each participant in the merged plan shall become a participant in the Plan on the merger date, with accrued or vested benefits under the Plan equal to his accrued or vested benefits under the merged plan, and thereafter shall continue to participate in the Plan in accordance with its terms.

(d) It is the intention, and it shall be the effect, of this Section 10.2 that any merger of a plan into this Plan be carried out in accordance with Section 11.3.

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ARTICLE XI

DURATION AND AMENDMENT

11.1 Reservation of Right to Suspend or Terminate Plan. Except as otherwise provided herein, while it is the intention of the Company that the Plan shall remain in effect indefinitely, the Board reserves the right to suspend or terminate the Plan in whole or in part, at any time and from time to time, and for any reason whatsoever that in the Board's sole discretion appears to it to make such action advisable. For purposes of this Section 11.1, the term "Board" shall mean the Board as defined in Article II or the Board of Directors of Verizon.

11.2 Reservation of Right to Amend Plan. Except as otherwise provided herein, the Plan may be amended in accordance with the procedures set forth in this Section 11.2. The Board by duly adopted written resolution or by unanimous written consent may modify or amend the Plan in whole or in part, prospectively or retroactively, at any time and from time to time. The Board by duly adopted written resolution or by unanimous written consent may delegate the power to so modify or amend the Plan to one or more officers or employees of the Company or Verizon, subject to such conditions as the Board may in its sole discretion impose. (The Board has delegated to the most senior Human Resources officer of Verizon the authority to amend the Plan in all respects, except for material plan amendments that would alter the basic pension formula and that would have a material impact on the funding of the Plan.) Notwithstanding the foregoing, and without the necessity of a delegation of authority from the Board, the Chief ERISA Counsel of Verizon may adopt any amendment or modification to the Plan that is, in the opinion of such Chief ERISA Counsel, necessary or appropriate to comply with applicable laws and regulations, including without limitation ERISA and the Code. The Plan also may be amended in accordance with the procedures set forth in Sections 4.10 and Section 4A.5(c) or any Schedule. Individuals with authority to amend may take all actions necessary or appropriate to implement or effectuate any amendment or modification to the Plan described herein. Any modification or amendment of the Plan by one or more such individuals (including without limitation the Chief ERISA Counsel) shall be adopted by a written instrument executed by such individual or individuals. Notwithstanding the foregoing, no amendment shall reduce any benefit, that is accrued or treated as accrued under section 411(d)(6) of the Code, of any participant, or the percentage (if any) of such benefit that is vested, on the later of the date on which the amendment is adopted or the date on which the amendment becomes effective. For purposes of this Section 11.2, the term "Board" shall mean the Board as defined in Article II or the Board of Directors of Verizon.

11.3 Transactions Subject to Code Section 414(l). Except as otherwise provided herein, the Plan may be merged into or consolidated with another plan, and its assets or liabilities may be transferred to another plan. However, to the extent that section 401(a)(12) or 414(l) of the Code is applicable and in accordance therewith, no such merger, consolidation, or transfer shall be consummated unless each Employee, Retired Employee, former Employee, and Beneficiary under the Plan would, if the resulting plan then terminated, receive a benefit immediately after the merger, consolidation, or transfer that is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation, or transfer, if the Plan had then terminated; provided that the foregoing provisions of this Section 11.3 shall not apply if such alternative requirements as may be imposed by the regulations under section 414(l) of the Code are satisfied. For purposes of the preceding sentence, the benefit of an Employee, Retired Employee, former Employee, or

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Beneficiary upon the deemed termination of a plan shall be determined without regard to any requirement under Title IV of ERISA or otherwise that (a) the employer or any other person make additional contributions to the plan in connection with its termination, or (b) any assets of the plan attributable to employee contributions remaining after satisfaction of all liabilities described in section 4044(a) of ERISA be distributed to participants pursuant to section 4044(d)(3) of ERISA. Any liability transferred from the Plan to another plan pursuant to this Section 11.3 shall result in the extinguishment of such liability hereunder immediately upon such transfer, and no benefit previously payable under the Plan on account of such liability shall be payable under the Plan following such transfer.

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ARTICLE XI-A

CHANGE IN CONTROL PROVISIONS

11A.1 Change in Control On or After January 1, 2002. The following provisions are effective for events occurring on or after January 1, 2002:

(a) Definitions. The following definitions apply for purposes of this Section 11A.2:

(i) "Change in Control" means the following:

(A) For purposes of the Plan, and except as provided in paragraph (B) hereof, a Change in Control shall occur if:

(I) Any Person becomes a beneficial owner (as determined under Rule 13d-3 under the Securities Exchange Act), or has the right to acquire beneficial ownership within 60 days, through tender offer or otherwise, of shares of one or more classes of stock of Verizon representing 20% or more of the total voting power of Verizon's then outstanding voting stock;

(II) Verizon and any Person consummate a merger, consolidation, reorganization, or other business combination ("Business Combination"); or

(III) The Board of Directors of Verizon adopts resolutions authorizing the liquidation or dissolution, or sale to any Person of all or substantially all of the assets of Verizon.

(B) Notwithstanding the provisions of paragraph (A) hereof, a Change in Control shall not occur if:

(I) The voting stock of Verizon outstanding immediately before the consummation of the transaction will represent no less than 45% of the combined voting power entitled to vote for the election of directors of the surviving parent corporation immediately following the consummation of the transaction;

(II) Members of the Incumbent Board will constitute at least one-half of the board of directors of the surviving parent corporation;

(III) The Chief Executive Officer or co-Chief Executive Officer of Verizon will be the chief executive officer or co-chief executive officer of the surviving parent corporation; and

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(IV) The headquarters of the surviving parent corporation will be located in New York, New York.

(ii) "Change in Control Provisions" means the following provisions of the Plan: the definitions of "GTE Benefits Programs," "GTE Benefits Protection Trust," and "Original Verizon Entities, " and the parenthetical phrase in the definition of "Residual Assets" in Article II; Section 9.16; the words "Except as otherwise provided herein," at the beginning of each of Sections 11.1, 11.2 and 11.3; this Section 11A.1; the proviso in Section 12.2(g); Section 12.2(h); the words "Except as otherwise provided in subsection (h) thereof," at the beginning of Section 12.3; and the second sentence of Section 14.8.

(iii) "Incumbent Board" means those persons who either (A) have been members of the Board of Directors of Verizon since June 30, 2000, or (B) are new directors whose election by the Board of Directors or nomination for election by the shareowners of Verizon was approved by a vote of at least three-fourths of the members of the Incumbent Board then in office who either were directors described in clause (A) hereof or whose election or nomination for election was previously so approved, but shall not include any director elected as a result of an actual or threatened solicitation of proxies by any Person.

(iv) "Interested Party" means an individual, corporation, partnership, trust, estate, plan, or other entity (A) that bears a relationship to the Company or any Affiliate (as that term is defined for purposes of Section 11A.1(b) of the Plan) that would cause such individual, corporation, or other entity to be a "party in interest" (as defined in Title I of ERISA) with respect to an employee benefit plan covering employees of the Company or such Affiliate or (B) in which the Company or any such Affiliate has an interest of a nature that, if the Company or such Affiliate were a plan fiduciary, might affect the exercise of its best judgment as a fiduciary within the meaning of 29 C.F.R. ss. 2550.408b-2(e).

(v) "Person" means any corporation, partnership, firm, joint venture, association, individual, trust, or other entity, but does not include Verizon or any of its wholly-owned or majority-owned subsidiaries, employee benefit plans or related trusts.

(vi) "Securities Exchange Act" means the Securities Exchange Act of 1934, as amended and in effect from time to time.

(b) Plan Transactions Following Change in Control. Notwithstanding the provisions of Article XI, and except as otherwise provided in this Section 11A.1(b) or in Section 12.2(h), for the five-year period beginning on the date on which a Change in Control occurs, there shall be no:

(i) merger or consolidation of the Plan with any other plan;

(ii) amendment or other modification of the benefit formula or any other provision of the Plan that would have the effect of reducing future benefit

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accruals or retirement subsidies under the Plan (including without limitation benefits that have been or otherwise would be accrued or earned before or after the amendment or other modification), except to the extent that such amendment or other modification is required by law or is required to preserve the qualification of the Plan under section 401(a) of the Code; or

(iii) reversion, withdrawal, removal, transfer out of the Plan, or other use or inurement for the benefit of the Company, any Affiliate or any other Interested Party, of assets of the Plan (except for distributions or other applications of assets of the Plan to provide benefits under the Plan to Plan participants or beneficiaries, to defray the reasonable expenses of Plan administration, or to return a contribution to the Company to the extent that a deduction in respect of the contribution is disallowed, as provided in section 403(c)(2)(C) of ERISA), whether or not such assets of the Plan constitute surplus, excess or residual assets, and whether or not such reversion, withdrawal, removal, transfer, or other use or inurement is permitted by law (including, without limitation, section 401(a) and the other plan qualification provisions of the Code), as amended from time to time.

The provisions of this Section 11A.1(b) shall not prohibit any action described in subsections (i) through (iii) of this Section 11A.1(b), above, (w) that, before the date on which a Change in Control occurs, is specifically authorized or approved (or, in the case of an amendment or modification of the Plan, is adopted) by the Board, (x) to which the Company or the Plan has become contractually committed before the date on which a Change in Control occurs, (y) that is necessary or appropriate to enter into, to effectuate, or to implement a Corporate Transaction (as defined below) or a Plan Transaction (as defined below), or (z) that applies to the Plan (or any portion thereof) when the Plan (or such portion of the Plan) is not maintained by the Company. For purposes of this subsection, a 'Corporate Transaction' means any transaction or arrangement between the Company or a Related Entity (as defined below) and a party other than the Company or a Related Entity that alters the size, organization, or operation of all or part of any business conducted by the Company or a Related Entity, including but not limited to a merger or acquisition, a sale, spin-off, or other disposition, the formation or implementation of a joint venture, or the formation or implementation of an out-sourcing, employee-leasing, or shared-services arrangement; a 'Plan Transaction' means a transaction described in subsection (i) of this Section 11A.2(b), above, if, immediately after such transaction, the Plan and any other plan that results from such transaction, or to which a transfer or spin-off is made pursuant to such transaction, are sponsored by the Company or a Related Entity; and a 'Related Entity' means any entity that, pursuant to section 414(b) or (c) of the Code, is treated as part of a single employer that also includes the Company.

For purposes of this Section 11A.1(b), the definition of 'Affiliate' in Article II shall be revised by ascribing to the terms 'controlled group of corporations' and 'common control,' as used in that definition, the meaning that would be ascribed to those terms if the phrase 'more than 50 percent' were substituted for the phrase 'at least 80 percent' in each place the latter phase appears in section 1563(a) of the Code.

(c) Plan Amendments Following Change in Control Notwithstanding the provisions of Article XI or the foregoing provisions of this Article XI-A or any other provision of the Plan to the contrary, for the five-year period beginning on the date on which a Change in Control occurs, (i) the Change in Control Provisions may not in

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any way be amended, modified, or suspended, directly or indirectly, and (ii) no other provision of the Plan may be amended, modified or suspended, directly or indirectly, in a manner that would alter the meaning or operation of the Change in Control Provisions or that would undermine or frustrate their purposes (including any amendment, modification or suspension (A) that results, directly or indirectly, from a transaction or event described in Section 11A.1(b), or (B) that is made during such five-year period or made subsequently and made retroactively effective for any period of time preceding the expiration of such five-year period, but excluding any amendment, modification or suspension (x) that is required in order to consummate or to give effect to an action described in Section 11A.1(b)(i) through (iii), and that satisfies the requirements set forth in clause (w), (x), (y), or (z) of Section 11A.1(b), (y) that is required by law, or (z) that is required to preserve the qualification of the Plan under section 401(a) of the Code). The Change in Control Provisions may be amended or suspended at any time before the date on which a Change in Control occurs. Notwithstanding any other provision hereof to the contrary, if, while the Change in Control Provisions are in effect, a Change in Control occurs and the Plan is terminated on a date that occurs within the five-year period beginning on the date on which the Change in Control occurs, then (I) the Change in Control Provisions shall remain in effect and shall not thereafter be amended, modified or suspended and (II) nothing whatsoever shall prevent the fulfillment of the requirements and taking of the actions set forth in Section 12.2(h) in accordance with the provisions thereof, whether within, or following the expiration of, the five-year period beginning on the date on which the Change in Control occurs.

(d) Scope of Change in Control Provisions. Notwithstanding any Plan provisions to the contrary, the Change in Control Provisions of this Section 11A.1 shall apply only to participants who as of the date on which a Change in Control occurs are active employees of the Company or an Affiliate, or beneficiaries of such participants.

11A.2 Change in Control Before January 1, 2002. Notwithstanding any provision in the Plan to the contrary, the change in control provisions that were in effect under the Products Plan as of the change in control that occurred on May 18, 1999 shall continue to apply through May 18, 2004 with respect to individuals who were participants or beneficiaries in the Products Plan on May 18, 1999.

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ARTICLE XII

DISTRIBUTION OF THE PENSION FUND UPON TERMINATION OF THE PLAN

12.1 Vesting on Plan Termination. In case of a termination or partial termination of the Plan, the rights of all affected Employees, Retired Employees, and Beneficiaries to benefits accrued under the Plan to the date of such termination or partial termination, to the extent then funded, shall be nonforfeitable.

12.2 Allocation of Assets on Plan Termination. Upon termination of the Plan, the Committee shall allocate the Pension Fund in accordance with the following priority schedule, after providing for reasonable Plan administration expenses:

(a) First, there shall be paid any portion of a participant's accrued benefits derived from any non-mandatory contributions by him to the Plan;

(b) Second, there shall be paid any portion of a participant's accrued benefits derived from any mandatory contributions by him to the Plan;

(c) Third, there shall be allocated to (i) the Pension of each Retired Employee (or Beneficiary) that was being paid on the date three years prior to the date of termination, and (ii) the Pension of each Employee (or former Employee or Beneficiary) that would have been in pay status three years prior to the date of termination if the Employee or former Employee had Retired prior to such earlier date and if his Pension had commenced (in the normal form of annuity under the Plan) as of the beginning of such three-year period, an amount that is sufficient to provide such Pension, payable from the date of termination based on the provisions of the Plan as in effect during the five-year period ending on such date and under which the Pension was or would have been the least;

(d) Fourth, there shall be allocated to each Pension an amount that together with any amount allocated under subsection (c), above, is sufficient to provide the portion of the Pension that is guaranteed by the Pension Benefit Guaranty Corporation, as provided under Title IV of ERISA (without regard to sections 4022(b)(5) and 4022(b)(6) thereof);

(e) Fifth, there shall be allocated to each Pension an amount that together with any amounts allocated under subsections (c) and (d), above, is sufficient to provide each such Pension, to the extent it is nonforfeitable;

(f) Sixth, there shall be allocated to each Pension the amount that together with any amounts allocated under subsections (c) through (e), above, is sufficient to provide the accrued Pension on the date of the termination;

(g) Seventh, after all liabilities of the Plan have been satisfied, any Residual Assets shall be distributed to the Company, except as otherwise required by section 4044(d)(3)(A) of ERISA, and provided that the date of the Plan termination does not occur within the five-year period beginning on the date on which a Change in Control occurs under Article XI-A.

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(h) If the date of the Plan termination occurs within the five-year period beginning on the date on which a Change in Control occurs under Article XI-A, then the Residual Assets shall not be distributed to the Company (except to the limited extent provided in the GTE Benefits Protection Trust), and instead shall be applied in accordance with paragraph (i) or (ii) of this subsection (h), whichever is applicable.

(i) If the GTE Benefits Protection Trust is in effect on the first day on which all liabilities of the Plan are satisfied or on any date within 30-calendar days thereafter, the Residual Assets shall be transferred directly from the Pension Fund to the GTE Benefits Protection Trust and shall be applied in accordance with the provisions of the GTE Benefits Protection Trust. The direct transfer of the Residual Assets shall be effected at the earliest practicable time (and in any event not later than 30 calendar days) after the satisfaction of all liabilities of the Plan, and shall be effected automatically and directly by the Trustee without the necessity of further action by the Board, the Company, any officer or employee of the Company, or any other party.

(ii) If the GTE Benefits Protection Trust is not in effect on the first day on which all liabilities of the Plan are satisfied or on any date within 30-calendar days thereafter, the "Net Residual Assets" (as defined in the GTE Benefits Protection Trust as last in effect prior to the date on which the Change in Control occurs) shall be applied directly and at the earliest practicable time for the exclusive purpose of providing benefits to participants and beneficiaries under the GTE Benefits Programs pursuant to the terms thereof and defraying the reasonable expenses of providing such benefits. The Net Residual Assets shall be so applied in the manner and in accordance with the priorities specified in the applicable provisions of the GTE Benefits Protection Trust as last in effect prior to the date on which the Change in Control occurs; provided, however, that if the GTE Benefits Protection Trust is not established prior to the date on which the Change in Control occurs, such application of the Net Residual Assets shall be made (and "Net Residual Assets" shall be defined) in the manner last designated in writing by the Committee after August 6, 1987, but prior to the date on which the Change in Control occurs; and provided further that, if the Committee fails to make such a designation after August 6, 1987, and prior to the date on which the Change in Control occurs, the Net Residual Assets shall be applied directly and at the earliest practicable time for the exclusive purpose of providing benefits to participants and beneficiaries under the GTE Benefits Programs pursuant to the terms thereof (and defraying the reasonable expenses of providing such benefits) in the manner and in accordance with the priorities specified in the applicable provisions of the draft of the GTE Benefits Protection Trust presented to and approved by the Board of Directors of GTE Corporation on August 6, 1987, and "Net Residual Assets" shall be defined in the manner provided in such draft.

If the assets of the Pension Fund are insufficient to provide in full the amounts required under subsections (a) through (d), above, such assets shall be allocated pro rata among the Pensions described in the subsection for which the required amounts first cannot be provided in full. If the assets of the Pension Fund are insufficient to provide in full the amounts required under subsection (e), above, the assets available for allocation under subsection (e) shall be allocated first to provide the amounts required under such subsection on the basis of the terms of the Plan as in effect at the beginning of the five-year period ending on the date of the Plan

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termination. If the assets of the Pension Fund are insufficient to provide such amounts in full, the assets shall be allocated among such amounts on a pro rata basis. If the assets of the Pension Fund are sufficient to provide such amounts in full, then any remaining assets shall be allocated to provide the amounts under such subsection based on the Pensions resulting from each successive amendment during the five-year period until the available assets are insufficient to provide the amounts required under subsection (e). The assets available for allocation with respect to the Pensions resulting from the first such amendment shall be allocated on a pro rata basis.

12.3 Provision for Pensions After Plan Termination. Except as otherwise provided in subsection (h) thereof, provision pursuant to Section 12.2 may be made, in the discretion of Verizon Corporate Services Group Inc., by the purchase of annuities or by continuing in existence any Trust Agreements or arrangements with insurance companies entered into pursuant to the Plan and making provision therefrom for Pensions, or both, or by immediate distribution from the Pension Fund, or by any combination of these means, as Verizon Corporate Services Group Inc., in its sole discretion, shall determine.

12.4 Computation of Pensions After Plan Termination. The Pensions specified in Section 12.2 shall be computed in accordance with the provisions of Article VI, Article VI-A or the Schedules of the Plan, as applicable, except that, to the extent permitted by law, the periods of Vesting Service, Accredited Service, Net Credited Service and Pension Accrual Service used in the computation for Employees shall be regarded as ended as of the Plan termination date and only Average Annual Compensation, Net Monthly Compensation and the Cash Balance Account as of that date shall be taken into account.

12.5 Continued Employment Not Required After Plan Termination. The payment of such Pensions shall not be contingent on an Employee's continuing in the service of the Company or any other employer after the termination of the Plan, except to the extent such service is otherwise required under the Plan to become eligible for a particular Pension or form of payment.

12.6 Data in Company Records on Plan Termination. In all cases such Pensions shall be determined, to the extent permitted by law, on the basis of the Employee's age, Vesting Service, Accredited Service, Net Credited Service, Pension Accrual Service, Cash Balance Account and Average Annual Compensation, as applicable, as shown by the Company's records as of the Plan termination date.

12.7 Satisfaction of Liabilities on Plan Termination. In the case of all Pensions for which provision is made for the purchase of annuities from an insurance company, the delivery of an annuity contract or certificate of the insurance company from which the annuity is purchased to each Employee, Retired Employee, former Employee, or Beneficiary to whom such Pensions are payable shall, to the extent permitted by applicable law, serve to relieve the Pension Fund from any further obligations for the payment of such Pensions. In the case of all Pensions for which provision is not made through the purchase of annuities from an insurance company, the judgment of Verizon Corporate Services Group Inc. as to the adequacy of the alternative provision shall be final to the extent permitted by applicable law. If such alternative provision made as of the Plan termination date should thereafter at any time appear, in the judgment of Verizon Corporate Services Group Inc., inadequate or more than sufficient to continue the payment of the amounts previously estimated to be payable, the remaining payments of such Pensions shall be adjusted pro rata in the order of precedence set forth in Section 12.2.

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12.8 Post-1993 High-25 Distribution Restrictions. With respect to distributions that commence on or after January 1, 1994, the provisions of Section 12.8 shall not apply and the following provisions of this Section 12.9 shall apply:

(a) Upon the termination of the Plan, the benefit of each highly compensated employee and each highly compensated former employee (both as defined in section 414(q) of the Code) shall be limited to a benefit that is nondiscriminatory under section 401(a)(4) of the Code.

(b) The annual payments under the Plan with respect to a participant shall not exceed the annual payments that would be made with respect to the participant under a straight life annuity that is the actuarial equivalent of his accrued benefit. The preceding sentence shall not apply to a participant for a calendar year if: (i) the participant is not among the 25 highly compensated employees and highly compensated former employees (both as defined in section 414(q) of the Code) of the Affiliates with the greatest compensation in that calendar year or any prior calendar year; (ii) after satisfying all benefits payable to the participant under the Plan, the value of Plan assets does not fall below 110 percent of the Plan's current liabilities (as defined in section 412(l)(7) of the Code); (iii) the value of the benefits payable with respect to the participant under the Plan is less than 1 percent of the value of the Plan's current liabilities (as defined in section 412(l)(7) of the Code and determined before distribution to the participant); or (iv) the value of the benefits payable with respect to the participant under the Plan does not exceed the amount described in section 411(a)(11)(A) of the Code. If the Plan is terminated while the restrictions pursuant to this subsection (b) are in effect, amounts in excess of those restrictions shall first be applied in a nondiscriminatory manner to the satisfaction of any Plan liabilities to participants who are not subject to the restrictions, and any balance remaining shall then be applied in a nondiscriminatory manner to any Plan liabilities that may be outstanding with respect to participants who are subject to the restrictions.

(c) This Section 12.8 is intended to satisfy the requirements of Treas. Reg. ss. 1.401(a)(4)-5(b). This Section 12.8 shall not be construed in a manner that would impose limitations that are more stringent than those required by section 1.401(a)(4)-5(b) of the Treasury Regulations. If Congress should provide by statute, or the United States Treasury Department or the Internal Revenue Service should provide by regulation, ruling, or other guidance of general applicability, that the foregoing restrictions are no longer necessary for the Plan to meet the requirements of section 401(a) of the Code or any other applicable provision of the Internal Revenue Code then in effect, such restrictions shall become void and shall no longer apply, without the necessity of further amendment to the Plan.

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ARTICLE XIII

INTERCHANGE OF BENEFIT OBLIGATIONS

13.1 Interchange Agreement Permitted. Agreements may be made by the Company with Affiliates for an interchange of the obligations to which they may be subject under pension plans.

(a) In General. These interchange agreements shall provide that:

(i) except as otherwise determined by the plan sponsors, pension plans shall be maintained on a consistent and substantially uniform basis by all of the companies participating in such interchange agreements;

(ii) advance provision for the payment of pensions shall be made by each company in such amounts as may be necessary to provide for and fulfill all requirements of its plan as in effect from time to time;

(iii) service for vesting, retirement eligibility and benefit accrual of the participants under the pension plans sponsored by the companies that are parties to such agreements shall include service with all such companies;

(iv) the transfer of the accrued benefit of any participant to this Plan under any such agreement shall not result in a reduction of such accrued benefit or the elimination of an optional form of benefit with respect to such accrued benefit which is prohibited by section 411(d)(6) of the Code and the Treasury regulations thereunder; and

(v) an employee who is transferred from a class of employees whose service is determined on the basis of computation periods to a class of employees whose service is determined on the basis of elapsed time shall have his service under the Plan determined on a basis that is no less favorable to the employee than that described in Treasury regulations section 1.410(a)-7(f).

(b) Special Rules for Employees Who Previously Participated in a Plan for Associate Employees of Former Bell Atlantic Companies. If an individual becomes an Employee on or after January 1, 2002 following a period of employment and participation in a defined benefit pension plan for non-management or associate employees of an Affiliate that was a Bell Atlantic Company (referred to as a "BA Associates Plan"), and the individual (y) was not employed by an Affiliate before such employment as a non-management or associate employee, and (z) has not participated in any Affiliate's defined benefit pension plan following such employment and prior to becoming an Employee, the Employee's benefits under the Plan shall be determined as described in Articles IV-A, V-A and VI-A of the Plan, subject to subsection (a) and the following:

(i) There shall be no transfer of assets and liabilities from the BA Associates Plan and the Employee shall not have an Unconverted Annuity Benefit from his employment under the BA Associates Plan.

(ii) If the Employee is a Transition-Eligible Employee on or after

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January 1, 2002, the Employee shall not be credited with Pension Accrual Service for his period of service under the BA Associates Plan for purposes of the benefit formula described in Section 6A.1(b) or otherwise.

(iii) The formulas described in Sections 6A.1(c) and (d) shall not apply to an Employee described in this subsection (b).

(c) Special Rules for Employees Whose Benefits are Transferred to the Plan from a Plan for Associate Employees of Former GTE Companies. If an individual becomes an Employee on or after January 1, 2002 following a period of employment and participation in a defined benefit pension plan for non-management or associate employees of an Affiliate that was a GTE Company (referred to as a "GTE Associates Plan"), and the individual (y) was not employed by an Affiliate before such employment as a non-management or associate employee, and (z) has not participated in any Affiliate's defined benefit pension plan following such employment and prior to becoming an Employee, the assets and liabilities attributable to such Employee's benefits under such GTE Associates Plan (if not previously paid in full to the Employee) shall be transferred to and shall become liabilities of the Plan. Unless provided otherwise in an agreement between the Company and the Employee's collective bargaining agent, following such transfer, the Employee's benefits under the Plan shall be determined as described in Articles IV-A, V-A and VI-A of the Plan, subject to subsection (a) and the following:

(i) If the Employee is a Transition-Eligible Employee, subject to any adjustments otherwise applicable under the Plan, the Employee's benefit under Section 6A.2 or 6A.3 payable in the form of a single life annuity commencing on his Pension Commencement Date shall in no event be less than the sum of (A) the Employee's Unconverted Annuity Benefit accrued under the GTE Associates Plan, reduced for early commencement under the terms of the plan under which such benefit was accrued, as in effect on the last day of the Employee's active participation in such plan, but subject to any adjustment more favorable to the Employee as may be provided in Exhibit A for a deferred vested pension, plus (B) the benefit calculated as described in Section 6A.2(b), using only Pension Accrual Service, if any, earned for employment as an Employee, reduced for early commencement as described in Section 6A.2(b) or 6A.3(b), as appropriate.

(ii) The formulas described in Sections 6A.1(c) and (d) shall not apply to an Employee described in this subsection (c).

(d) Other Transfers. If a participant has a series of events involving periods of employment and transfers of benefits among this Plan, a Prior Plan or any other defined benefit pension plan maintained by an Affiliate, and the effect of such series of events on the participant's benefit is not covered under this Section 13.1, the participant's Pension shall be determined in a manner consistent with the provisions of this Section 13.1.

13.2 Plans of Canadian Affiliates. In the event of the transfer of an Employee from this Company to the employment of an Affiliate in Canada that has a pension plan and his subsequent retirement under such circumstances that he is entitled to a pension under the pension plan of such Canadian company, he shall, in addition to such pension, be paid a

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Pension by this Plan in accordance with the provisions hereof, on the basis of his service for benefit accrual purposes (Accredited Service or Pension Accrual Service, as applicable) earned as of the date of transfer; provided, however, that (a) his Average Annual Compensation shall include U.S. dollars equivalent to the amounts paid by the Canadian company, and the minimum pension provision in Section 6.1(c), if applicable, shall be applied only after taking account of the U.S. dollar equivalent of the pension payable under the Canadian company's plan, and (b) this provision shall apply to a Former Bell Atlantic Employee only if such transfer occurs on or after January 1, 2002.

13.3 Mandatory Portability. This Plan shall be administered in a manner that complies with the terms of the Interchange Agreement, and in compliance with the federal statute enacted in furtherance of the Interchange Agreement.

(a) Waiver of Portability. An Employee or former Employee who is eligible for portability under the terms of the Interchange Agreement, by reason of his current or prior period of participation in an Interchange Company Pension Plan, may waive portability in accordance with the terms of the Interchange Agreement. If the Employee or former Employee waives portability, none of the special rules in subsections (b) and (c) of this Section 13.3 shall apply.

(b) Employees Transferring from an Interchange Company Pension Plan. The following provisions apply to an Employee who previously participated in an Interchange Company Pension Plan, who is employed by an Affiliate that is an Interchange Company, and who is eligible for and has not previously waived portability under the Interchange Agreement:

(i) Prior Service Credit. If and when required by the Interchange Agreement, the Employee's Vesting Service, Net Credited Service and Pension Accrual Service (if a Transition-Eligible Employee) shall be supplemented by crediting the corresponding periods of vesting service, retirement eligibility service and pension accrual service accrued by the Employee under the Interchange Company Pension Plan in which the Employee participated prior to becoming an Employee.

(ii) Treatment of Transferred Benefit. If and when required by the Interchange Agreement, the Interchange Company Pension Plan in which the Employee was previously a participant shall transfer to the Plan the assets and liabilities associated with the Employee's accrued benefit under the Interchange Company Pension Plan determined as described in the Interchange Agreement. If the Interchange Company Pension Plan transfers an accrued benefit expressed as a single life annuity payable at normal retirement age, the transferred benefit shall be held in the Plan as an Unconverted Annuity Benefit. If the Interchange Company Pension Plan transfers an accrued benefit expressed as a cash balance account, such account shall be treated as the Employee's opening balance in his Cash Balance Account under the Plan which shall thereafter be eligible for Pay Credits and Interest Credits in accordance with the terms of the Plan; provided, however, that Interest Credits shall be credited to the transferred cash balance account using the interest rate prescribed by the Interchange Company Pension Plan from which the cash balance account is transferred, if that interest rate would require a higher Interest Credit Percentage. This provision shall be administered in a manner

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that avoids duplication of benefit accrual in the combination of benefits from the two plans.

(iii) Effect of Lump-Sum Distribution. An Employee described in this Section 13.3(b) shall not have his accrued benefit transferred from any Interchange Company Pension Plan from which he has previously received a lump-sum distribution of his accrued benefit. In such case, the Employee's Vesting Service, Net Credited Service and Pension Accrual Service (if a Transition-Eligible Employee) shall be supplemented by crediting the corresponding periods of vesting service, retirement eligibility service and pension accrual service accrued by the Employee under the Interchange Company Pension Plan in which the Employee participated prior to becoming an Employee, but only if the Employee executes a written agreement authorizing the Plan to offset the Employee's Accrued Benefit, to the extent such benefit is calculated based on Pension Accrual Service that includes the Employee's benefit accrual service under such Interchange Company Pension Plan, by the lump-sum distributed by the Interchange Company Pension Plan expressed as a single life annuity payable at normal retirement age under the terms of the Interchange Company Pension Plan. Any such service shall be credited to the Employee on the later of (A) the date on which the Employee would have been credited with such service under the Interchange Agreement had he not received the lump-sum distribution, or (B) the date on which the Employee executes the agreement described in the preceding sentence.

(iv) Special Vesting Rules. Vesting for the portion of an Employee's benefit that is transferred from the Interchange Company Pension Plan shall be determined by using the sum of the Employee's vesting service under the Interchange Company Pension Plan plus Vesting Service subsequently earned under this Plan and then using either the vesting schedule under the Plan or the vesting schedule that was in effect under the Interchange Company Pension Plan when the individual ceased to be an active participant under that plan, whichever results in the higher vesting percentage.

(c) Transfers of Pension Liabilities from this Plan to an Another Interchange Company Pension Plan. The following provisions apply to an Employee who previously participated in the Plan as an Employee of an Affiliate that is an Interchange Company, who is an active participant in an Interchange Company Pension Plan, and who is eligible for and has not previously waived portability under the Interchange Agreement:

(i) Transfer of Pension Liability. If and when required by the Interchange Agreement, the assets and liabilities for the Employee's Accrued Benefit under the Plan shall be transferred to the applicable Interchange Company Pension Plan. In such event, the Employee's eligibility for a Pension or any other benefit hereunder shall cease.

(ii) Effect of Lump-Sum Distribution. The Plan shall accept on behalf of an Employee described in this subsection (c) who received a lump-sum distribution of his vested Accrued Benefit under the Plan and subsequently becomes a participant in an Interchange Company Pension Plan that requires the individual to repay the distribution in order to be eligible for portability

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treatment (and offers no alternate offset provision) a repayment of the full amount of the distribution, with interest. Interest on the lump-sum distribution shall be calculated for each month, beginning with the month in which the distribution was made and ending with the month of repayment, using 1/12 of the annual PBGC immediate annuity rate in effect for January of the year in which such month occurs. The distribution shall be repaid in a lump-sum payment, within 12 months of the date on which the individual is notified by the Plan of the amount of the repayment, in whole or in part as a rollover from a conduit IRA, with any remaining portion payable in after-tax dollars. Within 12 months of receiving the repayment, the Plan shall transfer to the Interchange Company Pension Plan the greater of (A) the amount of the repayment or (B) the amount that would have been transferred under the Interchange Agreement had the individual never received a distribution, and the individual's eligibility for a pension under the plan shall cease. Except as provided in this subsection, there shall be no transfer of assets and liabilities from this Plan to the subsequent Interchange Company Pension Plan for an individual who has received a lump-sum distribution of his Accrued Benefit under the Plan.

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ARTICLE XIV

GENERAL PROVISIONS

14.1 No Employment Rights Conferred. Neither the action of the Company establishing this Plan nor any action taken by the Company under the Plan shall be construed as giving to any Employee a right to be retained in the service of the Company.

14.2 Integration Clause. No Employee, Retired Employee, former Employee, Beneficiary, or any other person shall be entitled to or have any vested right in or claim to a Pension under the Plan, except as expressly provided herein.

14.3 Incapacity of Recipient. Pension payments to a Retired Employee or a Beneficiary unable to execute a proper receipt therefor may be made to a relative or other person, selected by the Committee, for the benefit of the Retired Employee or the Beneficiary, and the receipt executed by such person shall discharge the obligations of the Plan and the Committee to such Retired Employee or Beneficiary and anyone claiming through either of them.

14.4 ERISA Fiduciary Duties. Nothing in the Plan shall relieve or be deemed to relieve any Plan fiduciary from any responsibility, obligation, or duty imposed by or under ERISA.

14.5 Compliance with State and Local Law. The provisions of this Plan relating to an Employee's age of Retirement shall not be applied in circumstances that would cause such provisions to be in violation of applicable state or local law. In such circumstances, the Employee Benefits Committee as Plan administrator shall modify the application of such provisions to the extent necessary to comply with applicable state or local law, but only to the extent such laws are not preempted by federal law.

14.6 Usage. Words in the masculine gender shall include the feminine gender and the plural shall include the singular unless the context indicates otherwise.

14.7 Titles and Headings. The titles to Articles and the headings of Sections, subsections, paragraphs, and subparagraphs in this Plan are placed herein for convenience of reference only and, as such, shall be of no force or effect in the interpretation of the Plan.

14.8 Severability Clause. In the event any provision of the Plan is held to be in conflict with or in violation of any state or federal statute, rule, or decision, all other provisions of this Plan shall continue in full force and effect. In the event that the making of any payment or the provision of any other benefit required under the Plan is held to be in conflict with or in violation of any state or federal statute, rule, or decision or otherwise invalid or unenforceable, such conflict, violation, invalidity, or unenforceability shall not prevent any other payment or benefit from being made or provided under the Plan, and in the event that the making of any payment in full or the provision of any other benefit required under the Plan in full would be in conflict with or in violation of any state or federal statute, rule or decision or otherwise invalid or unenforceable, then such conflict, violation, invalidity or unenforceability shall not prevent such payment or benefit from being made or provided in part, to the extent that it would not be in conflict with or in violation of any state or federal statute, rule or decision or otherwise invalid or unenforceable, and the maximum payment or

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benefit that would not be in conflict with or in violation of any state or federal statute, rule or decision or otherwise invalid or unenforceable, shall be made or provided under the Plan.

14.9 Certain Military Service. Notwithstanding any provision of this Plan to the contrary, for reemployments initiated on or after December 12, 1994, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with section 414(u) of the Code.

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ARTICLE XV

TOP-HEAVY REQUIREMENTS

15.1 In General. This Article XV shall apply only if the Plan is Top-Heavy, as defined below. If, as of any Determination Date, as defined below, the Plan is Top-Heavy, the provisions of Section 15.4, below, shall take effect as of the first day of the Plan Year next following the Determination Date and shall continue to be in effect until the first day of any subsequent Plan Year following a Determination Date as of which it is determined that the Plan is no longer Top-Heavy.

15.2 Definitions. For purposes of this Article XV, the following definitions shall apply, and shall be interpreted in accordance with the provisions of section 416 of the Code and the regulations thereunder:

(a) "Aggregation Group" means a group of Verizon Plans consisting of each Verizon Plan in the Required Aggregation Group and each other Verizon Plan selected by the Committee for inclusion in the Aggregation Group that would not, by its inclusion, prevent the group of Verizon Plans included in the Aggregation Group from continuing to meet the requirements of sections 401(a)(4) and 410 of the Code.

(b) "Average Compensation" means the participant's average Compensation, as defined in Section 15.2(c), below, for the period of consecutive years (not exceeding 5) during which the participant had the greatest aggregate Compensation from the Company, excluding (i) years ending before 1984, and (ii) years commencing after the last Top-Heavy Year, and adjusted, in accordance with section 416(c)(1)(D)(ii) of the Code, for years not included in a year of Vesting Service.

(c) "Compensation" means compensation for a calendar year within the meaning of section 415 of the Code and the regulations thereunder, but shall not exceed the annual compensation limit in effect for the calendar year under section 401(a)(17) of the Code.

(d) "Determination Date" means the December 31 immediately preceding the Plan Year for which the determination is made.

(e) "Verizon Plan" means any stock bonus, pension, or profit-sharing plan of the Company and the Affiliates intended to qualify under section 401(a) of the Code.

(f) "Key Employee" means any employee of the Company and the Affiliates who satisfies the criteria set forth in section 416(i)(1) of the Code. For purposes of determining who is a Key Employee, "compensation" shall mean "compensation" as defined in section 415 of the Code and the regulations thereunder.

(g) "Required Aggregation Group" means one or more Verizon Plans comprising each Verizon Plan in which a Key Employee is a participant and each Verizon Plan that enables any Verizon Plan in which a Key Employee is a participant to meet the requirements of section 401(a)(4) or 410 of the Code.

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(h) "Top-Heavy" means that the Plan is included in an Aggregation Group under which, as of the Determination Date, the sum of the present value of the cumulative accrued benefits for Key Employees under all defined benefit plans in the Aggregation Group and the aggregate of all accounts of Key Employees under all defined contribution plans in the Aggregation Group exceeds 60 percent of the analogous sum determined for all employees. The determination of whether the Plan is Top-Heavy shall be made in accordance with section 416(g)(2)(B) of the Code and the regulations thereunder.

(i) "Top-Heavy Ratio" means the percentage calculated in accordance with Section 15.2(h) hereof and section 416(g)(2) of the Code and the regulations thereunder.

(j) "Top-Heavy Year" means a Plan Year for which the Plan is Top-Heavy.

Unless otherwise specified herein, other terms in this Article XV have the respective meanings ascribed thereto by the other provisions of the Plan.

15.3 Determination of Top-Heavy Ratio. In determining the Top-Heavy Ratio with respect to any Plan Year, the following rules shall apply:

(a) The accrued benefit of any current participant shall be calculated, as of the most recent valuation date that is within a 12-month period ending on the Determination Date, as if the participant had voluntarily terminated employment as of such valuation date. Such valuation date shall be the same valuation date used for computing plan costs for purposes of the minimum funding provisions of section 412 of the Code. Unless, as of the valuation date, the Plan provides for a nonproportional subsidy, the present value of the accrued benefit shall reflect a Pension commencing at age 65 (or attained age, if later). If, as of the valuation date, the Plan provides for a nonproportional subsidy, the Pension shall be assumed to commence at the age at which the Pension is most valuable.

(b) The present value of such accrued benefit shall be calculated by multiplying the accrued benefit by the appropriate factor in the following table based on the participant's age as of the Determination Date:

Age	Deferred Annuity Factor to Age 65	Age	Deferred Annuity Factor to Age 65
19	0.36752	45	2.18380
20	0.39337	46	2.34220
21	0.42104	47	2.51265
22	0.45067	48	2.69619
23	0.48240	49	2.89392
24	0.51637	50	3.10709
25	0.55274	51	3.33707
26	0.59169	52	3.58536
27	0.63340	53	3.85366
28	0.67806	54	4.14383
29	0.72589	55	4.45797
30	0.77713	56	4.79844
31	0.83202	57	5.16786
32	0.89084	58	5.56923
33	0.95388	59	6.00589
34	1.02145	60	6.48169
35	1.09389	61	7.00098

36	1.17156	62	7.56874
37	1.25486	63	8.19069
38	1.34422	64	8.87343
39	1.44010	65	9.62458
40	1.54301	66	9.41000
41	1.65348	67	9.19088
42	1.77212	68	8.96748
43	1.89957	69	8.73999
44	2.03654	70	8.50892

(c) The Plan shall be aggregated with all Verizon Plans included in the Aggregation Group.

15.4 Top-Heavy Minimum Benefits.

(a) In any Top-Heavy Year, each participant shall be entitled to the greater of:

(i) the Pension he otherwise is entitled to under the Plan, or

(ii) an annual benefit that, when expressed as a Pension commencing at his Normal Retirement Date (with no ancillary benefits), is equal to 2 percent of the participant's Average Compensation for each of the participant's first 10 years of Accredited Service (or Pension Accrual Service) after 1983 during which the Plan is Top-Heavy.

The annual benefit described in paragraph (ii), above, shall not be adjusted to take into account the availability of preretirement death benefits under the Plan.

(b) A participant who has completed at least 3 years of Vesting Service and

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who is credited with an Hour of Service in a Top-Heavy Year shall have a nonforfeitable right to his accrued benefit.

(c) For each Top-Heavy Year, the Annual Compensation of each participant taken into account under the Plan for all Plan Years (including Plan Years before the first Top-Heavy Year) shall not exceed his "Compensation" (as defined in Section 15.2(c)); provided that any benefits accrued before a Top-Heavy Year (determined without regard to any Plan amendments adopted after the end of the Plan Year next preceding the Top-Heavy Year) shall not be reduced as a result of the application of this subsection (c).

(d) The benefit required by Section 15.4(a) and vested pursuant to the provisions of Section 15.4(b) shall not be forfeitable under provisions that otherwise would be permitted by section 411(a)(3)(B) (relating to suspension of benefits upon reemployment) or 411(a)(3)(D) (relating to forfeitures upon withdrawal of mandatory contributions) of the Code.

(e) The Plan shall meet the requirements of this Section 15.4 without taking into account, in accordance with section 416(e) of the Code, contributions or benefits under chapter 21 of the Code (relating to the Federal Insurance Contributions Act), Title II of the Social Security Act, or any other federal or state law.

(f) The requirements of this Section 15.4 shall not apply with respect to any employee included in a unit of employees covered by an agreement that the Secretary of Labor finds to be a collective bargaining agreement between employee representatives and one or more Affiliates if there is evidence that retirement benefits were the subject of good faith bargaining between such employee representatives and the Affiliate.

15.5 Termination of Top-Heavy Status. If, for any Plan Year after a Top-Heavy Year, the Plan is no longer Top-Heavy, the provisions of Section 15.4, above, shall not apply with respect to such Plan Year; provided that

(a) the accrued benefit of any participant shall not be reduced on account of the operation of this Section 15.5;

(b) each participant shall remain fully vested in any portion of the participant's accrued benefit that was fully vested before the Plan ceased to be Top-Heavy; and

(c) any participant who was a participant in a Top-Heavy Year and who has completed at least 3 years of Vesting Service as of the first day of the Plan Year in which the Plan is no longer Top-Heavy may elect to remain subject to the provisions of Section 15.4(b).

15.6 Interpretation. This Article XV is intended to satisfy the requirements imposed by section 416 of the Code and shall be construed in a manner that will effectuate this intent. This Article XV shall not be construed in a manner that would impose requirements that are more stringent than those imposed by section 416 of the Code.

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ARTICLE XVI
2001 QUALIFIED INVOLUNTARY SEPARATION PROGRAM

16.1 Purpose. This Article XVI is intended to provide Employees with additional benefits in light of the Company's need to reorganize due to the recent merger of GTE Corporation and Bell Atlantic Corporation. In general, this Article XVI provides additional retirement benefits to Eligible Participants who receive a Notice of Discharge between January 1, 2001, and December 31, 2001, inclusive. The additional benefits provided under this Article XVI, calculated in the form of a lump sum, shall serve as an offset to any benefits paid under an Executive Severance Agreement.

16.2 Definitions. The following capitalized terms, when used in this Article XVI, shall have the following meanings, notwithstanding any different definitions of such terms elsewhere in the Plan.

(a) "Company" means GTE Products of Connecticut Corporation or any other Affiliate that cosponsored the Products Plan.

(b) (i) "Eligible Participant" means a current participant in the Products Plan on the date Notice of Discharge is received who is:

(A) on the participant's Separation Date, an Employee of the Company; or

(B) on the participant's Separation Date,

(I) receiving workers' compensation benefits or on short-term disability, but not receiving a Disability Pension (as defined in the Plan or the Products Plan), and

(II) whose last employment in an employer-employee relationship before he commenced receiving workers' compensation benefits or before his short-term disability was in a capacity described in subparagraph (A); or

(C) (I) on a leave of absence with a right to return to employment of like status or like pay pursuant to Company policy or return to employment pursuant to federal or state law on the participant's Separation Date, and

(II) whose last employment in an employer-employee relationship before his leave of absence commenced was in a capacity described in subparagraph (A).

(ii) Notwithstanding the foregoing, the following individuals shall not be Eligible Participants:

(A) participants who are mandatorily retired pursuant to Section 5.2 or 5A.1(b) (or any similar provision of the Products Plan);

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(B) temporary Employees who have not been in active service past the first anniversary of their date of hire;

(C) participants who are receiving or who cease to be entitled to receive long-term disability benefits under a long-term disability plan maintained by the Company or an Affiliate;

(D) Ameritech Transferred Employees, as defined in Schedule XXIV of the Verizon Management Pension Plan; and

(E) Employees of Verizon Wireless referenced in Schedule XXXI of the Verizon Management Pension Plan.

(c) "ISEP" means the 2001 Qualified Involuntary Separation Program provided for in this Article XVI.

(d) "Modified Average Annual Compensation" means a Special Separatee's Average Annual Compensation as determined under the Plan or the Products Plan in which the Eligible Participant was participating immediately prior to his Separation Date, but based on the Special Separatee's rate of compensation for the 36 consecutive months of employment during which he was compensated at the highest rates of pay. For purposes of this Article XVI, Modified Average Annual Compensation shall include awards under the Management Incentive Plan, the International Team Incentive Program, and the GTE Investment Management Corporation Incentive Plan, but shall not include awards under the Executive Incentive Plan.

(e) "Notice of Discharge" means a written notice that the Company issues an Eligible Participant informing the Eligible Participant that he will be involuntarily discharged for a reason other than cause and which is received by the participant between January 1, and December 31, 2001, inclusive.

(f) "Qualified Separation Date" means the participant's Separation Date (between January 1, and December 31, 2001, inclusive, or such later date as may be related to the Notice of Discharge received by the participant). A participant's Separation Date shall be determined by the participant's last day of active employment with the Company regardless of any accrued and unused vacation or banked vacation that may be taken into account under Section 16.5(d).

(g) "SEP Annuity" means an annuity that is the actuarial equivalent of the SEP Lump Sum. For purposes of determining the SEP Annuity, actuarial equivalence shall be determined by using the Special Separatee's actual age and whichever assumptions specified in Section 16.5(c)(i) would provide the greater lump sum if an annuity were being converted to an actuarially equivalent immediate lump sum payment.

(h) "SEP Lump Sum" means a fixed amount (regardless of when paid) equal to the lesser of:

(i) The greater of:

(A) 0.1 multiplied by the Special Separatee's Modified Average Annual Compensation, or

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(B) the Special Separatee's Modified Average Annual Compensation multiplied by the sum of:

(I) 0.037 multiplied by the Special Separatee's Accredited Service under the Products Plan (Pension Accrual Service under the Plan, if the Separation Date occurs after December 31, 2001), not in excess of 10 years, and

(II) 0.047 multiplied by the Special Separatee's Accredited Service under the Products Plan (Pension Accrual Service under the Plan, if the Separation Date occurs after December 31, 2001), in excess of 10 years; or

(ii) 1.2 multiplied by the Special Separatee's Modified Average Annual Compensation; provided, however, that, for a Special Separatee who receives a Notice of Discharge on or after October 1, 2001 and before January 1, 2002 and who is not an employee of any of the Verizon entities that are involved with directory services, including but not limited to Verizon Information Services Inc., Verizon Directory Services Inc., Verizon Yellow Pages Company, National Telephone Directory Company, Penn-Del Directory Company, and Chesapeake Directory Sales Company, the amount described in this paragraph (ii) shall not be less than $75,000.

Notwithstanding the foregoing, the SEP Lump Sum shall be reduced by any amount required to be paid by the Company or an Affiliate in connection with the Employee's separation from service pursuant to foreign law to the extent that the Employee's Pension under the Plan has not been reduced by such amount pursuant to Section 6.1(d)(ii) or 6A.1(e)(ii) (or any similar provision of the Products Plan).

Notwithstanding the foregoing, the SEP Lump Sum shall be equal to 50% of the amount determined pursuant to the preceding provisions of this Section 16.2(h) unless the Special Separatee (or, if Section 16.5(f) applies following the Special Separatee's death, the Special Separatee's personal representative):

(i) executes a release in a form satisfactory to the Company (and returns such release as instructed on the release or related materials, such as a cover letter or highlights booklet)

(A) prior to the Separation Date, or

(B) if later, prior to the expiration of 21 days in the case of an individual separation or 45 days in the case of a group separation, as determined by the Company, after the date the release is received by the Special Separatee, and

(ii) does not subsequently revoke the release in accordance with the terms of such release.

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(i) "Separates" means to separate from employment with the Company and its Affiliates no later than the Eligible Participant's Qualified Separation Date and in accordance with the terms and conditions of the ISEP.

(j) "Separation Date" means the date that a Special Separatee Separates under the ISEP.

(k) "Special Separatee" means an Eligible Participant who has received a Notice of Discharge and Separates under the ISEP pursuant to this Article XVI.

Each other capitalized term used in this Article XVI shall have the meaning given to such term elsewhere in the Plan.

16.3 Temporary and Limited Application of This Article.

(a) This Article XVI is not intended to constitute a permanent part of the Plan, but is of temporary duration and limited applicability. The sole purpose of this Article XVI is to provide a special basis for the computation of the Pension payable to a Special Separatee. This Article XVI shall not affect, or be taken into account in determining, the Pension or any other benefit under the Plan or the Products Plan of any Employee other than a Special Separatee.

(b) Immediately after the latest Separation Date of any Eligible Participant described in this Article XVI, this Article XVI shall be deemed to be deleted from the Plan automatically, without the necessity of any further amendment to the Plan or any other action by the Board or any other party, and this Article XVI shall thereafter have no further force or effect. After it has ceased to be effective and has been deemed to be deleted from the Plan, this Article XVI shall continue to apply in determining the right to a Pension with respect to each Special Separatee and the computation of such Pension.

(c) The ISEP is neither voluntary nor elective. No Eligible Participant may elect to Separate or decline to Separate under the ISEP. An Employee may be required to Separate under the ISEP. Notwithstanding the foregoing, an Eligible Participant's decision to execute a release in accordance with Section 16.2(h) shall be voluntary and elective.

16.4 Computation of the Pension Under the ISEP.

(a) An Eligible Participant who Separates shall not be considered to be a Special Separatee who Separated under the ISEP unless he receives a Notice of Discharge from the Company between January 1, 2001, and December 31, 2001, inclusive, for a reason other than cause. An Employee who quits or retires, or who is mandatorily retired pursuant to Section 5.2 or 5A.1(b) (or any similar provision of the Products Plan) shall not be considered to have been discharged. Notwithstanding the foregoing, for purposes of this Section 16.4(a), an Eligible Participant who quits voluntarily, retires or dies after receiving a Notice of Discharge for a reason other than cause, shall be considered to be a Special Separatee who separated under the ISEP (the Separation Date being the date of such quit, retirement, or death). Furthermore, and notwithstanding the foregoing, an Employee shall not be considered to have been discharged, regardless of whether the Employee has been provided with a Notice of Discharge, if (i) the Employee does not, as determined by the Company on a

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nondiscriminatory basis, experience a separation from service as a result of his termination of employment with the Company or (ii) the Employee is designated as a "Transferred Employee" by the Company, or is otherwise transferred to another employer, pursuant to or as a result of a sale, disposition, or other transaction, including but not limited to, the sale, transfer, exchange or other disposition of any assets or stock of the Company, a merger, the creation of a joint venture, or an outsourcing arrangement, and such Employee shall thereafter not be considered to have been discharged for purposes of this Article XVI, regardless of whether he is subsequently discharged by another employer.

(b) Each Eligible Participant who Separates as a Special Separatee under the ISEP shall be entitled to:

(i) a Service Pension if he is eligible for a Service Pension under the Products Plan or Article V, or a Deferred Vested Pension if he is not eligible for a Service Pension and he is eligible for a Deferred Vested Pension under the Products Plan or Article V and, if other than an Excluded Employee, he Separates before January 1, 2002, or

(ii) a Vested Pension if he is eligible for a Vested Pension under Article V-A and he Separates after December 31, 2001,

with his Service Pension, Deferred Vested Pension or Vested Pension, as the case may be, enhanced by the SEP Annuity. An Eligible Participant who is not eligible for a Service Pension, Deferred Vested Pension or Vested Pension under the provisions of the Plan or the Products Plan other than this Article XVI (or any similar Article in the Products Plan) shall be entitled, pursuant to this Section 16.4, to a SEP Annuity (but not to a Pension).

(c) (i) Notwithstanding Section 16.4(b) and Section 5.3(b)(i) (or any similar provision of the Products Plan), for a Special Separatee whose Separation Date occurs before January 1, 2002, if as of the Special Separatee's Separation Date, he is within 24 months of the date on which his years of Accredited Service (of not less than 15 years) combined with his years of age will equal 76, then the Special Separatee shall be eligible for a Service Pension computed under Section 6.1 (or any similar provision of the Products Plan), except as provided in paragraph (ii) of this subsection (c), and enhanced by the SEP Annuity, instead of a Deferred Vested Pension computed under Section 6.3 (or any similar provision of the Products Plan).

(ii) If the Pension Commencement Date of a Special Separatee described in paragraph (i) of this subsection (c) precedes the date on which he attains age 55, his Pension shall be reduced in accordance with the reduction factors for Service Pensions specified by Section 6.1(b) (or any similar provision of the Products Plan), except that if his Pension Commencement Date precedes the date on which his years of Accredited Service (of not less than 15 years) combined with his years of age (including his years of age after he Separates) total 76, the Special Separatee's Service Pension shall, in addition, be reduced by 0.6% for each month between the Special Separatee's Pension Commencement Date and the date on which his years of Accredited Service (of not less than 15

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years) plus his years of age (including his years of age after he Separates) total 76.

16.5 Computation of Pensions Generally.

(a) The provisions of this Article XVI apply, and pension benefits under this Article XVI shall be provided, only with respect to Special Separatees. The Pension of any Employee other than a Special Separatee shall be determined without regard to, and shall be wholly unaffected by, this Article XVI. In addition, the inclusion of this Article XVI in this restatement of the Plan is not intended to change or increase any benefit provided under the similar provision in the Products Plan to a Special Separatee whose Separation Date occurs before January 1, 2002. No benefit shall accrue under this Article XVI except for a Special Separatee as of his Separation Date. This Article XVI does not provide for an accrued benefit or an additional accrued benefit for any Employee or former Employee other than a Special Separatee. The method of computation of a Pension under Article XVI is entirely separate and distinct from, and shall not become a part of, any method of computation of a Pension under the Plan without regard to this Article XVI.

(b) The SEP Annuity shall be paid at the same time and in the same form as the remainder (if any) of the Special Separatee's Pension. Notwithstanding any other provision of the Plan, including, but not limited to, Sections 5.3 and 5.5 (or any similar provision of the Products Plan), a Special Separatee may elect as his Pension Commencement Date the first day of any month following his Separation Date; provided that such date is not later than the Pension Commencement Date that is otherwise required by provisions of the Plan, including, but not limited to, Sections 7.6 and 7.7, and such Pension Commencement Date satisfies the Plan's administrative notice and processing requirements.

(c) (i) Any Eligible Participant who qualifies for a Pension under this Article XVI may elect, in accordance with the notice, timing and other election requirements that apply to the election of an alternative form of payment under Section 6A.6, to receive his Pension in the form of a lump sum distribution. The amount of any such lump sum distribution shall be (x) the actuarial equivalent of the Special Separatee's Service Pension, Deferred Vested Pension or Vested Pension (if any), as the case may be, determined under Article VI (or any similar provision of the Products Plan) or VI-A, as appropriate, as a single life annuity commencing as of the Special Separatee's Pension Commencement Date, plus (y) any SEP Lump Sum to which the Special Separatee is entitled. For purposes of calculating the minimum amount of a lump sum distribution under Section 417(e) of the Code and Section 205(g) of ERISA, (x) and (y) from the preceding sentence shall, consistent with past Plan administration, be considered one combined total pension benefit. For purposes of this paragraph (i), actuarial equivalence shall be determined by applying the 1971 Towers, Perrin, Forster & Crosby Forecast Mortality Table with ages set back two years and whichever of the following interest rates provides the greater lump sum distribution:

(A) the six-month moving average yield of United States Treasury obligations with ten-year maturities, as reported in the Federal Reserve Statistical Release or an equivalent publication of said Federal Reserve, with the six-month averaging period commencing 12 months

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prior to the Special Separatee's Pension Commencement Date, computed in accordance with the provisions of the Plan as modified in accordance with this Article XVI; or

(B) the PBGC Immediate Rate, provided that the SEP Annuity and the SEP Lump Sum shall be disregarded in determining whether the Special Separatee's vested accrued benefit exceeds $25,000 for purposes of determining the amount of the PBGC Immediate Rate (as described in the definition of PBGC Immediate Rate in Article II).

(ii) The amount of any Special Separatee's lump sum distribution under this Article XVI shall not be less than the greater of:

(A) the lump sum distribution (if any) that the Special Separatee could have received under the Plan or the Products Plan, as applicable, without regard to this Article XVI; or

(B) the actuarial equivalent of (x) the Special Separatee's Service Pension, Deferred Vested Pension or Vested Pension (if any), as the case may be, plus (y) any SEP Annuity to which the Special Separatee is entitled, determined under Article VI (or any similar provision of the Products Plan) or VI-A, as appropriate (in the case of the Service Pension, Deferred Vested Pension or Vested Pension (if any), as the case may be) and under Section 16.2(g) (in the case of any SEP Annuity) as a single life annuity commencing as of the Special Separatee's Normal Retirement Date, and by applying the assumptions set forth in (I) Section I(B)(iii) of Attachment 1 to Exhibit A for Pension Commencement Dates occurring before January 1, 2002, and (II) the last sentence of Section I(B) of Attachment 1 to Exhibit A for Pension Commencement Dates occurring on or after January 1, 2002. For purposes of calculating the minimum amount of a lump sum distribution under Section 417(e) of the Code and Section 205(g) of ERISA, (x) and (y) from the preceding sentence shall, consistent with past Plan administration, be considered one combined total pension benefit.

(iii) Section 7.1 shall not apply to the payment of a Pension in the form of a lump sum distribution pursuant to this Article XVI.

(d) Accrued and unused vacation or banked vacation with the Company or an Affiliate shall be taken into account for purposes of determining a Special Separatee's Modified Average Annual Compensation, Average Annual Compensation and Accredited Service or Pension Accrual Service in accordance with the provisions of the Plan and Plan administration.

(e) Except as specifically provided in this Article XVI, this Article XVI shall not affect the provisions of the Plan that govern eligibility to elect to receive a Pension in any optional form of payment.

f) (i) If a married Eligible Participant dies before his Pension Commencement Date, but after receiving a Notice of Discharge for a reason other than cause, a Spouse's Pension shall be payable to his Spouse in accordance with Section 6.4 (or any similar provision of the Products Plan) or a Pre-Retirement Death Benefit shall be payable to his Beneficiary in accordance

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with Section 6A.4, as appropriate, unless the Eligible Participant elected, in accordance with Section 6.4(d) (or any similar provision of the Products Plan) or 6A.4(e), to waive Spouse's Pension or Pre-Retirement Death Benefit coverage. Section 6.4 or 6A.4 shall be applied to the Spouse or Beneficiary of such a deceased Eligible Participant, and the Spouse's Pension or Pre-Retirement Death Benefit shall be computed as if, as of his Separation Date (or, if he dies before that date, the date that would have been his Separation Date), the deceased Eligible Participant had Separated, and his Pension included his SEP Annuity.

(ii) The normal Pension Commencement Date of a Spouse's Pension under this subsection (f) shall be the first day of the month next following the later of the deceased Eligible Participant's Normal Retirement Date or the date of his death; provided that any Spouse entitled to a Spouse's Pension under this subsection (f) may elect any Pension Commencement Date that is permitted by Section 6.4(b) (or any similar provision of the Products Plan). Any Pre-Retirement Death Benefit shall commence as described in Section 6A.4.

(g) If a benefit is payable pursuant to Section 6A.5(f)(iii) (relating to an Employee who elects a Joint-Survivor Pension but dies before his Pension Commencement Date), any SEP Annuity to which the Employee would have been entitled if he had survived until his Separation Date and commenced his Pension shall be considered part of the Employee's Pension for purposes of determining the benefit pursuant to Section 6A.5(f)(iii).

(h) In the case of an Eligible Participant whose Pension under the Plan is calculated in part on the basis of benefits that he previously accrued under the Contel System Pension Plan but that now are benefits payable under the Plan, accredited service under the Contel System Pension Plan shall be counted as Accredited Service or Pension Accrual Service, as applicable, for purposes of determining the amount of the SEP Lump Sum. In the case of an Eligible Participant whose Pension under the Plan is calculated in part on the basis of benefit eligibility and vesting service that he previously earned under the Contel Retirement Savings Plan, but that is now counted as Vesting Service under the Plan, such Vesting Service shall be counted as Accredited Service or Pension Accrual Service, as applicable, for purposes of determining the amount of the SEP Lump Sum. In the case of an Eligible Participant who was credited with service for benefit accrual purposes under the Times-Mirror Press Retirement Income Plan or the ALLTEL Corporation Pension Plan, such credited service shall be counted as Accredited Service or Pension Accrual Service, as applicable, for purposes of determining the amount of the SEP Lump Sum. In the case of an Eligible Participant who was employed by Providence Journal, AF Operating, Inc., BBN Corporation, or Genuity, Inc., years and months of employment with each respective entity shall be counted as Accredited Service or Pension Accrual Service, as applicable, for purposes of determining the amount of the SEP Lump Sum. In no event shall an Eligible Participant receive credit more than once for the same period of service for purposes of determining the amount of the SEP Lump Sum. Similarly, an Eligible Participant is not entitled to receive service for purposes of determining the amount of the SEP Lump Sum for service that has been recognized under any other severance plan maintained by the Company or an Affiliate.

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16.6 Miscellaneous.

(a) If a Special Separatee is receiving disability benefits under a plan or program maintained by the Company or its Affiliates, his disability benefits shall be reduced after his Pension Commencement Date to the extent of his Pension, and, for all purposes under the Plan, including for purposes of Sections 4.2(d), 4.6(d), 4A.1(d), 4A.2(d), or 4A.3(e) (or any similar provision of the Products Plan), the date his Pension commences pursuant to this Article XVI shall be treated as the date that his benefits under the LTD Plan cease (regardless of whether his LTD benefits actually cease on such date).

(b) If a Special Separatee is reemployed by an employer described in Section 4.2 after his Pension Commencement Date, the former Special Separatee's Pension (or that of his Spouse or other Beneficiary) shall include any SEP Annuity to which he was entitled before his reemployment; provided that, upon his retirement following his reemployment, (i) the periodic amount of his Pension shall not be less than the periodic amount of the Pension payable in the same form to which he was entitled, in accordance with the provisions of the Plan including this Article XVI, when he Separated, and (ii) he may recommence his Pension without regard to any provision of the Plan that would require him to delay his Pension Commencement Date.

(c) In any case where a special provision set forth in a schedule to the Plan varies a Plan provision that is referred to in this Article XVI and that is set forth in a Section of the Plan that precedes this Article XVI, each reference in this Article XVI to such Plan provision shall be deemed to refer to the provisions as varied by the applicable special provision. This Section 16.6(c) shall be interpreted and applied by the Committee in a consistent and nondiscriminatory manner in accordance with the purposes of this Article XVI and of the Plan as a whole.

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EXHIBIT A

ACTUARIAL EQUIVALENCE/APPLICABILITY OF TABLES IN COMPENDIUM OF PLAN FACTORS

<S>	<C> Factor	<C> Main Text and All Other Purposes	<C> Schedule I	<C> Schedule II
Early Commencement for Deferred Vested Pensions (Section 6.5)		Table AA 1	Table AA 1	Use factors specified in Schedule for Contel benefit to the extent such factors yield higher benefits
Early Commencement for Vested Pensions (Section 6A.2(b)(iii))		Table AA	Table AA	
Joint-Survivor Conversion (Regular)		Table BB	Table BB	
5- and 10-Year Certain & Life (Regular)		Table CC	Table CC	
Pop-Up Annuity		Table DD		
Lump Sums for Participants (including small benefit cash-outs in Section 7.6)		Attachment 1		
Lump Sums for Beneficiaries (including small benefit cash-outs in Section 7.6)		Attachment 1		
Converting Cash Balance Account to Single Life Annuity payable to participant on Pension Commencement Date (Section 6A.2(a)) or to Single Life Annuity payable to Spouse on Pension Commencement Date (Section 6A.4(a)(i))		Attachment 2		
Calculating Cash Balance Account Opening Balance for Former GTE Employee as of January 1, 2002 (Section 6A.1(a)(i)(B)(I))		Table EE		
Determining Actuarial Present Value of Accrued Benefit as of December 31, 2001 for Opening Balance Minimum (Section 6A.1(a)(i)(B)(II))		Attachment 3		

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Factor	Main Text and All Other Purposes	Schedule I	Schedule II
Determining Actuarial Equivalent of Unconverted Annuity Benefit payable as a Single Life Annuity to Spouse	Apply actuarial factors used by plan in which benefit was accrued or 7% interest and TPF&C 1971 Forecast Mortality Table for Males (with ages set back 2 years), whichever yields the higher benefit.		

For purposes of determining actuarial equivalence, age is determined in years and completed months. Optional form conversions for benefits transferred from other plans pursuant to Section 13.1 or 13.3 are subject to the special rules described in Section 6A.6(f).

1 For an Unconverted Annuity Benefit, apply these factors or the early payment factors prescribed by the terms of the plan under which such benefit was accrued as in effect on the last day of the Employee's active participation in such plan, whichever yields the higher benefit.

NOTE: Actuarial equivalence for pension commencement dates occurring prior to January 1, 2002 under a Prior Plan shall be determined following the provisions of the Prior Plan in accordance with Section 6A.11.
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ATTACHMENT 1 TO EXHIBIT A

I. Section 6A.6(b)(i) or (ii) Lump Sum Option for a Pension, Section 6A.4 Lump Sum Option for a Pre-Retirement Death Benefit, and Section 7.6 Mandatory Lump Sum - Pension Commencement Date On or After January 1, 2002.

(A) Subject to the special rule in Section 6A.6(f) applicable to benefits transferred from other plans, paragraphs (B) through (D), below, and any adjustments otherwise applicable under the Plan, the lump sum payable under Section 6A.6(b)(i) or (ii), 6A.4 or 7.6 on a Pension Commencement Date occurring on or after January 1, 2002 shall equal the greater of:

(i) the sum of (I) the participant's Cash Balance Account, if any, plus (II) the lump sum value, determined as of the Pension Commencement Date, derived from the single life annuity payable as of the Pension Commencement Date with respect to the participant's Unconverted Annuity Benefit calculated pursuant to Section 6A.2(a)(ii), if any; or

(ii) the greatest of the lump sum values, determined as of the Pension Commencement Date, derived from the single life annuities payable commencing as of the Pension Commencement Date calculated under the non-cash balance formulas, if any, applicable to the participant or Beneficiary under Article VI or VI-A, as appropriate.

(B) Lump sum values described in paragraph (A)(i)(II) or (A)(ii), above, shall be determined using whichever of the following assumptions yields the largest value:

(i) The TPF&C 1971 Forecast Mortality Table for Males (with ages set back two years) and the six-month moving average yield of United States Treasury obligations with ten-year maturities, as reported in the Federal Reserve Statistical Release or an equivalent publication of said Federal Reserve, with the six-month averaging period commencing 12 months prior to the Pension Commencement Date.

(ii) The TPF&C 1971 Forecast Mortality Table for Males (with ages set back two years) and the PBGC Immediate Rate.

(iii) The "applicable mortality table" (within the meaning of section 417(e)(3)(A)(ii)(I) of the Code) and the "applicable interest rate" (within the meaning of section 417(e)(3)(A)(ii)(II) of the Code) for the fifth month preceding the month in which the applicable Pension Commencement Date occurs.

(iv) The "applicable mortality table" (within the meaning of section 417(e)(3)(A)(ii)(I) of the Code) and the "applicable interest rate" (within the meaning of section 417(e)(3)(A)(ii)(II) of the Code) for the second month preceding the first day of the calendar quarter in which occurs the participant's Pension Commencement Date (or, if the Pension Commencement Date is the first day of the calendar quarter, the interest rate used by the Plan during the preceding calendar quarter). (This is the Plan's Code section 417(e) rate effective on and after January 1, 2002.)

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Notwithstanding the foregoing, the amount of any lump sum value applied for purposes of paragraph (A)(i)(II) or (A)(ii) when determining the lump sum payable to a participant shall not be less than the actuarial present value (as of the Pension Commencement Date) of the participant's benefit under the relevant formula in the form of a single life annuity payable commencing on the first day of the month next following the participant's Normal Retirement Date as calculated under Article VI or Section 6A.1(b), (c), (d) or (f), as appropriate, based on (I) for Pension Commencement Dates before June 1, 2004, the assumptions described in (B)(iii) or (B)(iv), above, whichever yield the higher benefit, or (II) for Pension Commencement Dates on or after June 1, 2004, the assumptions described in (B)(iv), above.

(C) If the Beneficiary of a Pre-Retirement Death Benefit is one individual, the Beneficiary's age in years and completed months shall be used to determine the amount of the Pre-Retirement Death Benefit. If there is more than one Beneficiary, the age of the oldest Beneficiary shall be used to determine the amount of the Pre-Retirement Death Benefit. If the Beneficiary is not an individual, the Beneficiary will be assumed to be the same age as the participant.

(D) For purposes of this attachment, the "applicable mortality table" (within the meaning of section 417(e)(3)(A)(ii)(I) of the Code) shall be (i) the mortality table referred to in Revenue Ruling 95-6 for Pension Commencement Dates occurring prior to December 31, 2002, and (ii) the mortality table referred to in Revenue Ruling 2001-62 for Pension Commencement Dates occurring on or after December 31, 2002.

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ATTACHMENT 2 TO EXHIBIT A

I. Converting Cash Balance Account to Single Life Annuity. For purposes of Section 6A.2(a) or 6A.4(a)(i), a Cash Balance Account shall be converted to an immediate single life annuity using the "applicable mortality table" (within the meaning of section 417(e)(3)(A)(ii)(I) of the Code) and the "applicable interest rate" (within the meaning of section 417(e)(3)(A)(ii)(II) of the Code) for the second month preceding the first day of the calendar quarter in which occurs the Pension Commencement Date (or, if the Pension Commencement Date is the first day of the calendar quarter, the interest rate used by the Plan during the preceding calendar quarter); provided, however, that a cash balance account that has been transferred to the Plan from an Interchange Company Pension Plan pursuant to Section 13.3 shall be converted to a single life annuity using the interest and mortality assumptions in effect under the Interchange Company Pension Plan on the last day of the participant's active participation in that plan if using such assumptions would result in a larger single life annuity amount. For purposes of this attachment, the "applicable mortality table" (within the meaning of section 417(e)(3)(A)(ii)(I) of the Code) shall be (i) the mortality table referred to in Revenue Ruling 95-6 for Pension Commencement Dates occurring prior to December 31, 2002, and (ii) the mortality table referred to in Revenue Ruling 2001-62 for Pension Commencement Dates occurring on or after December 31, 2002.

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ATTACHMENT 3 TO EXHIBIT A

I. Determining Actuarial Present Value of Accrued Benefit as of December 31, 2001 for Opening Balance Minimum. For purposes of Section 6A.1(a)(i)(B)(II), the actuarial present value of a participant's accrued benefit under the Products Plan as of December 31, 2001 shall be determined under whichever of the sets of assumptions in Section I(B)(i) through (iv) of Attachment 1 to Exhibit A produces the largest amount. For purposes of this calculation, the "Pension Commencement Date" shall be January 1, 2002.

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EXHIBIT B

SCHEDULE OF EFFECTIVE DATES

This restatement of the Plan is effective January 1, 2002.

The schedule contained in this Exhibit B sets forth the effective dates of those provisions of the Plan that have been amended since Plan was restated.

SCHEDULE OF EFFECTIVE DATES

PLAN PROVISION	EFFECTIVE DATE	DESCRIPTION AND COMMENTS

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SCHEDULE I

SPECIAL PROVISIONS RELATING TO CERTAIN EMPLOYEES
FORMERLY EMPLOYED BY GTE SYLVANIA INCORPORATED
OR OTHER EMPLOYER PARTICIPATING IN THE
GTE SYLVANIA PENSION PLAN FOR SALARY EMPLOYEES

The following Schedule previously contained in the Products Plan shall apply, to the extent applicable, to Former GTE Employees who were covered by this Schedule under the Products Plan and who complete a Paid Hour of Service as an Employee on or after January 1, 2002. References to the "Plan" in this Schedule shall be read to refer to the Plan and/or the Products Plan, as appropriate.

Any Employee who was employed by GTE Sylvania Incorporated prior to January 1, 1978, and who has transferred or shall transfer to the employment of GTE Products Corporation from the employment of GTE Sylvania Incorporated during the period from December 27, 1976 to December 31, 1981, including without limitation any such Employee who after December 27, 1976, continues to serve as an officer or director of GTE Sylvania Incorporated, and who shall Retire or become eligible to Retire, including without limitation eligibility to Retire established under this Schedule I, during the period from January 1, 1977 to December 31, 1981, shall have the benefit of the terms and conditions of the main text of the Plan and the following additional or alternative rights, and, to the extent applicable, shall be subject to the other terms and provisions hereinafter set forth; provided that the terms and provisions contained in Sections 2, 3, and 4 of this Schedule I, the effects of which are expressly stated to be not limited in duration or not dependent on the date when or period within which any said Employee shall Retire or become eligible to Retire, shall apply to any Employee who was employed by GTE Sylvania Incorporated prior to January 1, 1978, and, who has transferred or shall transfer from the employment of said corporation to the employment of GTE Products Corporation. For purposes of this Schedule I, references to GTE Sylvania Incorporated, unless the context otherwise clearly requires, shall be deemed to include any other employer participating in the GTE Sylvania Pension Plan for Salary Employees, during the period of such participation.

1. Participation. Such Employee who was formerly a member of the GTE Sylvania Pension Plan for Salary Employees shall be a participant within the meaning of Article III of this Plan although he commenced employment by GTE Sylvania Incorporated (or other employer participating in the GTE Sylvania Pension Plan for Salary Employees) after the last day of the month during which he attained age 60.

2. Accredited Service. Notwithstanding anything to the contrary contained in this Plan, in the case of any such Employee who was employed by GTE Sylvania Incorporated prior to September 1, 1961, and (a) who at any time shall have withdrawn his Accumulated Member Contributions and Accumulated Profit Distributions (as those terms are defined in the GTE Sylvania Pension Plan for Salary Employees) but otherwise maintained his continuous service, or (b) who was not a member of the GTE Sylvania Pension Plan for Salary Employees for any period prior to September 1, 1961, although eligible for membership, but otherwise maintained his continuous service, his service in respect of the period prior to September 1, 1961, shall be deemed Accredited Service; provided, however, that in the case of such Employee described in (a) or (b) of this Section 2 who terminates service with the Company prior to December 31,

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1985, his service in respect of the period prior to September 1, 1961 shall be deemed Accredited Service solely for the purposes of determining eligibility for a Service Pension, Disability Pension, Spouse's Pension and/or Deferred Vested Pension but the Pension payable with respect to such Accredited Service shall be determined on the basis of including one-half the number of the years and months of such service in the member's aggregate of Accredited Service, all otherwise in accordance with the provisions of this Plan governing a Service Pension, Disability Pension, Spouse's Pension and/or Deferred Vested Pension, as the case may be; provided further, that the minimum Pension for members Retiring on or after January 1, 1977, with respect to service prior to September 1, 1961, shall not be less than $5.50 per month for each year of Accredited Service. The provisions of this Section 2 shall continue in effect indefinitely, subject nonetheless to the terms and conditions of Article XI of the Plan.

3. Compensation. The term Compensation as used in Sections 4 and 5 of this Schedule I, and for purposes of the definition of Monthly Compensation in Article II of the Plan, shall have the following meaning:

Compensation shall mean an Employee's regular pay, commissions paid pursuant to a written commission plan (unless otherwise provided in said plan), overtime pay, vacation pay, suggestion awards, and cash payments made pursuant to any bonus, wage or salary incentive plan; the term Compensation may be deemed not to include any remuneration paid to any Employee included in a unit (during the period that he was or is in such unit), which has been designated as not eligible to participate in the coverage of this Plan by the Company or, in the case of the GTE Sylvania Pension Plan for Salary Employees, by GTE Sylvania Incorporated. In the case of Employees who are disabled and eligible to receive benefits pursuant to the provisions of a long term disability plan of the Company or any Affiliate, such as the Company's plan known as Long Term Disability Income Benefits for Salaried Employees, their Compensation for periods of such disability and eligibility shall be deemed to be their Compensation immediately prior to the commencement of such disability.

The provisions of this Section 3 shall continue in effect indefinitely, subject nonetheless to the terms and conditions of Article XI of the Plan. In addition to other applicable limitations that may be set forth in the Plan and notwithstanding any other contrary provision of the Plan, the amount of Compensation taken into account with respect to an Employee for a calendar year shall not exceed the Annual Compensation Limit in effect with respect to the Employee for the calendar year. Effective on and after January 1, 2002, the definition of "Compensation" in this Section 3 shall replace "Monthly Compensation" as defined in Article II of the Plan only to the extent that a higher Average Annual Compensation or Net Monthly Compensation will result.

4. Average Annual Compensation. The following definition of Average Annual Compensation shall apply for purposes of determining any Pension under the Plan if it shall result in a larger amount than the definition under Article II of the Plan.

Average Annual Compensation shall mean the average annual Compensation of a member of the Plan for the five (5) consecutive calendar years of employment with the Company (or any employer recognized pursuant to Section 6 of Article IV of the Plan for the purpose of determining Accredited Service), during which the said member received his highest amount of Compensation. If a member Retires or terminates employment on a date other than the end of a calendar year, then, solely for purposes of computing Average Annual Compensation, his Compensation for said calendar year in which the

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Retirement or termination occurs shall be deemed to be an amount equal to the sum of (a) his Compensation earned during the calendar year to the date of his Retirement or termination, plus (b) an amount representing the product obtained by multiplying the Compensation of said member during the fifth (5th) calendar year next preceding the calendar year of his Retirement or termination by a fraction, the numerator of which shall be the difference between twelve (12) and the number of calendar months constituting Accredited Service earned by said member in the calendar year of his Retirement or termination, and the denominator of which said fraction shall be twelve (12); except that if the sum of the calendar months of Accredited Service accumulated by said member in the calendar year of his Retirement or termination and during said fifth (5th) calendar year preceding the year of Retirement or termination is less than twelve (12), the fraction shall not apply and the member's Compensation for the calendar year in which Retirement or termination occurs shall be deemed to be the sum of the Compensation earned in that year plus the Compensation earned in the fifth (5th) calendar year next preceding said year. If a member's employment was less than 5 calendar years, his Average Annual Compensation shall be the average of his Compensation in all such years and credit for fractional years shall be recognized at the rate of 1/12 of a year for each full month.

The definition of Average Annual Compensation contained in this Section 4 of Schedule I shall continue in effect indefinitely, subject nonetheless, to the terms and conditions of Article XI of the Plan.

5. Alternative Average Annual Compensation. The following definition of Average Annual Compensation shall apply only for purposes of the benefit formula contained in Section 7 of Schedule I, if that benefit formula utilizing said definition contained in this Section 5 shall result in a larger amount than the Service Pension provided under the Plan utilizing the definition of Average Annual Compensation contained in Section 4 of this Schedule I or in Article II of the Plan, or if the benefit formula provided in Section 8 of this Schedule I, utilizing said definition of Average Annual Compensation contained in this Section 5, is elected, pursuant to Section 8 of this Schedule I, by an Employee who retires on a Service Pension prior to attaining age 62 satisfying the eligibility requirements for a Service Pension under Section 8 of this Schedule I as well as the eligibility requirements under the provisions of the Plan utilizing the definition of Average Annual Compensation contained in Section 4 of this Schedule I or in Article II of the Plan.

Average Annual Compensation shall mean the average annual Compensation of a member of the Plan for the five (5) calendar years (which need not be consecutive) of employment with the Company and its Affiliates during the final ten (10) calendar years of his service (including the year in which his termination of service occurs) in which such Employee received his highest amount of annual Compensation; provided that if an Employee served the Company and its Affiliates less than five (5) calendar years, his Average Annual Compensation, computed under this Section 5, shall be the average of his annual Compensation in all such years and if an Employee served the Company and its Affiliates less than ten (10) calendar years, all years of his service shall be taken into account in determining the five (5) calendar years in which he received his highest amount of annual Compensation.

6. Vesting. If such Employee's service terminates before the completion of ten (10) years of Vesting Service, he shall, if he has a minimum of five (5) years of Vesting Service and if the total of his age and years of Vesting Service is fifty (50) or more, be eligible for a Deferred

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Vested Pension computed in accordance with Section 6.3 of this Plan, subject to the following schedule:

Years of Vesting Service	Percent of Vested Pension
5	50%
6	60%
7	70%
8	80%
9	90%
10	100%

Effective for Employees who are credited with an Hour of Service on or after January 1, 1989, the foregoing special vesting schedule shall not apply and the vesting schedule contained in Section 5.5 shall apply instead. In the case of employees (if any) subject to a collective bargaining agreement, the preceding sentence shall not apply before the earlier of (i) January 1, 1991, or (ii) the later of January 1, 1989, or the date on which the last of the collective bargaining agreements (if any) covering employees under the Plan terminates, determined without regard to any extension thereof adopted after February 28, 1986.

7. Benefit Formulas. Such Employee upon attainment of age 65 shall have the right to Retire on his Normal Retirement Date with a fully vested and nonforfeitable Service Pension which shall be based on the higher of:

(a) the product of 1.4%, his years of Accredited Service and his Average Annual Compensation as defined in Section 5 of this Schedule I, less an amount equal to 1% for each year of Accredited Service up to a maximum deduction of 33% of the member's Social Security Old Age Benefit to which the member would be entitled under the Federal Social Security Act, in effect as of the date of Retirement if the member Retires at age 62 or later or for which the member first will be eligible at age 62 based on the schedule of Social Security benefits in effect as of the member's retirement date, assuming for the purpose of determining the Social Security Old Age Benefit that the member has no further Compensation after such retirement date, or

(b) the product of the member's years of Accredited Service and the monthly benefit (multiplied by 12) based upon Average Annual Compensation as defined in Section 5 of this Schedule I, set forth in the following schedule:

Average Annual Compensation		Benefit Per Month Per Year of
From	Up To	Accredited Service
0	10,799	8.00
10,800	11,199	8.25
11,200	11,599	8.50
11,600	11,999	8.75

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12,000	12,399	9.00
12,400	12,799	9.25
12,800	13,199	9.50
13,200	13,599	9.75
13,600	13,999	10.00
14,000	14,399	10.25
14,400	14,799	10.50
14,800	15,199	10.75
15,200	15,599	11.00
15,600	15,999	11.25
16,000	16,399	11.50
16,400	16,799	11.75
16,800	and up	12.00

For purposes of this Schedule I, the term Social Security Old Age Benefit shall mean an Employee's annual primary social security benefit (without deduction therefrom on account of outside earnings or otherwise). Notwithstanding the foregoing, an Employee may require, pursuant to the following procedures, that his Social Security Old Age Benefit as estimated based upon the assumptions contained in the Plan be recalculated on the basis of his actual earnings history through the year immediately preceding the year in which he ceases to be employed as an Employee. In order to obtain such recalculation, an Employee shall, on the later of his Retirement Date or a date which is within one (1) year after the date on which the Employee first received a final statement of his benefit as of his Retirement Date, submit to the Committee a statement from the Social Security Administration of his earnings for each year which is relevant to and available for the determination of his old age insurance benefit under Title II of the Federal Social Security Act. Upon its determination that such statement contains no material errors, the Committee shall recalculate the Employee's Social Security Old Age Benefit on the basis of his actual earnings history as shown in such statement. If the Employee's Pension increases as a result of such recalculation, the Employee's Pension shall be adjusted accordingly. If such adjustment requires an increase in any payments previously made to the Employee, the aggregate increase in such payments shall be paid to the Employee in a single payment.

8. Early Retirement. Such Employee, who on or before December 31, 1981, has attained age 55 with 15 or more years of Accredited Service shall become eligible to Retire with a Service Pension, which shall be computed in accordance with Section 7 of this Schedule I, multiplied by the appropriate percentage from the following table:

Age at	Years of Accredited Service		
Retirement	25 or more	20 - 24	15 - 19
65	100%	100%	100%
64	100%	100%	94%

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63	100%	100%	88%
62	100%	100%	82%
61	100%	100%	79%
60	100%	100%	76%
59	100%	74%	74%
58	100%	72%	72%
57	100%	70%	70%
56	100%	68%	68%
55	100%	66%	66%

If such Employee retires pursuant to this Section 8 of Schedule I at or after attaining age 55 with at least 25 years of Accredited Service or at or after attaining age 60 with at least 20 years of Accredited Service, he shall receive until age 62 as his Service Pension an amount equal to the greater of (a) the benefit determined in accordance with Section 7(a) of this Schedule I, without taking into account the deduction on account of the Social Security Old Age Benefit, or (b) the benefit determined in accordance with Section 7(b) of this Schedule I, and after attaining age 62, an amount equal to the greater of (a) the benefit determined in accordance with Section 7(a) of this Schedule I or (b) the benefit determined in accordance with Section 7(b) of this Schedule I; provided, that any such Employee who is or becomes eligible for a Service Pension pursuant to this Section 8 and who shall also be eligible for a Service Pension pursuant to Section 5.3 of the Plan, and who shall elect to Retire prior to attaining age 62, shall be required, upon request of the Employee Benefits Committee, irrevocably to elect, prior to the commencement of any payment of benefits, between the Service Pension pursuant to this Section 8 of Schedule I and the Service Pension provided under Section 5.3 of the Plan.

9. Certain Early Retirement Eligible Employees. Any such member who on or before December 31, 1981, satisfies the eligibility requirements for an Early Retirement Pension pursuant to Section 8 of this Schedule I or Section 5.3 of the Plan shall be eligible for and, upon written request filed with the Employee Benefits Committee, shall be retired by the Employee Benefits Committee on a Service Pension at the member's Early Retirement Date. Until such time as the member files such request, the member shall be deemed to have remained a member, notwithstanding anything contained in this Schedule I or the Plan to the contrary, but the Early Retirement Pension to which the member shall be entitled, shall be determined in accordance with the provisions of the Plan, as supplemented by this Schedule I, in effect on the date of termination of service of the member.

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10. Spouse's Pension. The surviving Spouse of any such Employee shall be entitled to a Spouse's Pension if said Employee (i) dies while in service with the Company having attained age 55 and completed 15 or more years of Accredited Service, or (ii) dies while in service with the Company and whose age and years of Accredited Service equal a minimum of 80 years. The Spouse's Pension for a surviving Spouse of any such Employee meeting the eligibility requirements set forth in the preceding sentence, shall be determined in accordance with Section 5.6 and Section 6.4 of the Plan. Any Spouse's Pension paid under this Section 10 of Schedule I (instead of under Section 6.4) shall commence in accordance with the provisions of Section 6.4, as elected by the surviving Spouse, but not earlier than the month next following the earliest date on which the deceased Employee could have elected a Pension under Section 8 of this Schedule I if he had not died and had earned no additional Accredited Service under the Plan. Notwithstanding the first sentence of this Section 10, the surviving Spouse of any such Employee who has earned a nonforfeitable right to a Pension shall be entitled to a Spouse's Pension payable in accordance with Section 6.4 of the Plan if the Employee dies before his Pension Commencement Date without having in effect a valid waiver of the Spouse's Pension under Section 6.4(e) or 6.5(b).

11. Form of Payment. If such Employee does not make any other election under this Plan in respect to the form of payment of his Pension, he shall have the right to receive the payment of his Pension in any one of the following forms, subject to the provisions of the Plan governing the election of optional forms of Pensions:

(a) He may elect an annuity payable in monthly installments for the greater of the term of his life or ten years; provided that: (i) if he dies before receiving all payments for the ten year term, the remaining payments shall be made to his surviving Beneficiary, if any; (ii) if he dies before receiving all payments for the ten year term without any surviving Beneficiary the present value as of the date of his death of the remaining payments shall be paid in a lump sum to his estate; or (iii) if he dies before receiving all payments for the ten year term and his surviving Beneficiary dies before receiving all remaining payments, the present value, as of the date of the Beneficiary's death shall be paid in a lump sum to the Beneficiary's estate; or

(b) He may elect an annuity payable in monthly installments for the greater of the term of his life or five years; provided that: (i) if he dies before receiving all payments for the five year term, the remaining payments shall be made to his surviving Beneficiary, if any; (ii) if he dies before receiving all payments for the five year term without any surviving Beneficiary, the present value as of the date of his death of the remaining payments shall be paid in a lump sum to his estate; or (iii) if he dies before receiving all payments for the five year term and his surviving Beneficiary dies before receiving all remaining payments, the present value, as of the date of the Beneficiary's death, of the payments remaining after the Beneficiary's death shall be paid in a lump sum to the Beneficiary's estate.

12. Notwithstanding any provisions of the Plan or in Schedule I or II to the contrary, the following terms and conditions shall not apply to any Employee who was either a member of or a participant in the GTE Sylvania Pension Plan for Salary Employees who transferred to the employment of GTE Products Corporation during the period from December 27, 1976 to December 31, 1981 or who was a member or participant in said Plan at the time of the merger of said Plan into the GTE Products Corporation Plan, who incurred a break in service and who returned to employment with GTE Sylvania Incorporated or an affiliated Company prior to January 1, 1980:

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(i) The final clause of Article IV, Section 4, which states ". . . . provided that the Employee had one year of Vesting Service preceding the break in service."

(ii) The final clause of Article IV, Section 8, which states ". . . . provided that the Employee had one year of Vesting Service preceding the break in service."

Further, that all references to the phrase "provided that (or, in each such case) the Employee had one year of Vesting Service preceding the break in service" appearing in Sections 4(D)(1) and 4(D)(2) of the GTE Sylvania Pension Plan for Salary Employees also shall not be applicable to any of the above-described Employees who incurred breaks in service but who returned to employment with GTE Sylvania Incorporated or an affiliated Company prior to January 1, 1980.

13. Subject to and specifically conditioned upon the prior receipt of a favorable determination from the Internal Revenue Service, all Accumulated Member Contributions and all Accumulated Profit Distributions, if any, in each Member's Account, whether or not such Member is an Employee, shall be spun off and transferred to a defined contribution profit-sharing plan sponsored by the Company or an Affiliate and credited to the individual account established or maintained thereunder for each such Member, thereafter to be subject to the provisions of such plan, which may include the immediate withdrawal of all or any portion of such transferred amounts as elected by the Member, whether or not an Employee, with the consent of his Spouse. Upon said spin-off, the Member's Retirement Pension under this Plan shall no longer include benefits attributable to his accrued benefit derived from employee contributions (within the meaning of section 411(c) of the Code).

14. Such Employee who terminates from employment on or after December 31, 1985, and who is found by the Employee Benefits Committee to be an employee in good standing and at the time he terminates for any cause other than death or Retirement, and is released from service involuntarily and without fault or delinquency on his part, shall have added to his Service Pension under Section 7 of this Schedule I an additional monthly benefit equal to (but not to be payable from) one-half the amount, if any, of the Accumulated Member Contributions credited to his Member Account as of December 31, 1985, divided by the appropriate actuarial factor. The Employee Benefits Committee shall make all determinations with respect to an Employee required under the preceding sentence on the basis of objective standards adopted in advance by the Employee Benefits Committee. For purposes of this Section 14, the appropriate actuarial factor shall be 123.564.

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SCHEDULE II

SPECIAL PROVISIONS RELATING TO CERTAIN CONTEL EMPLOYEES

The following Schedule previously contained in the Products Plan shall apply, to the extent applicable, to Former GTE Employees who were covered by this Schedule under the Products Plan and who complete a Paid Hour of Service as an Employee on or after January 1, 2002. References to the "Plan" in this Schedule shall be read to refer to the Plan and/or the Products Plan, as appropriate.

1. Classified Employees (as defined in Section 7.9(b) of the Merger Agreement and Plan of Reorganization Dated as of August 7, 1990 By and Among GTE Corporation, GTE Exchange Corporation and Contel Corporation) ("Merger Agreement") who, on December 31, 1991, were active participants in the Contel Retirement Savings Plan (the "Savings Plan") and were eligible to receive Basic Employer Contributions as defined under the terms of the Savings Plan and who were transferred to the Plan on or before January 1, 1992 (the "Savings Participants") became eligible to participate in the Plan as of January 1, 1992.

2. For purposes of this Schedule II, the following words and phrases shall have the meanings set forth below:

   a. "Contel Participant" shall mean a person who (i) is a Classified Employee (as defined in Section 7.9(b) of the Merger Agreement), (ii) became a participant in the Plan before July 1, 1992 (iii) transferred from a Contel business unit to a GTE business unit before July 1, 1992, (iv) was a participant in the Contel Plan before he transferred to a GTE business unit, (v) ceased accruing a benefit under the Contel Plan as of the date he transferred to a GTE business unit, and (vi) is an active employee as of June 30, 1992 and has not commenced receiving benefits under either the Contel Plan or the Plan as of June 30, 1992. A Savings Participant who would be a Contel Participant except that he ceased accruing a benefit under the Contel Plan prior to the date that he transferred to a GTE business unit shall be treated as both a Savings Participant and a Contel Participant for purposes of this Schedule II; provided that he shall not receive credit under both Paragraph 3.a. and 3.b. of this Schedule II for the same period of service, and provided further that his normal retirement benefit under the Plan shall be determined solely under Paragraph 5 of this Schedule II.

   b. "Contel Plan" shall mean the Contel System Pension Plan, as in effect on June 30, 1992, except where a different effective date is specified in this Schedule II.

   c. "Contel Service" shall mean a Contel Participant's period of service as of his Transfer Date that is recognized for benefit accrual purposes under the terms of the Contel Plan.

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d. "Contel Service Benefit" shall mean a Contel Participant's accrued benefit determined as of his Transfer Date, in accordance with Sections 1.1 and 14.2 of the Contel Plan in effect on that date.

e. "GTE Benefit" shall mean (i) in the case of a Contel Participant whose normal retirement benefit is calculated under Paragraph 5.a., below, the Contel Participant's GTE Service Benefit; and (ii) in the case of a Contel Participant whose normal retirement benefit is calculated under Paragraph 5.b., below, the difference between the Contel Participant's Total Service Benefit and his Contel Service Benefit.

f. "GTE Compensation" shall mean a Contel Participant's or Savings Participant's compensation determined under the definition of compensation set forth in the Plan that is used to determine a participant's benefits thereunder. GTE Compensation shall include the remuneration that the Contel Participant or Savings Participant received on or before his Transfer Date from Contel or from another company participating in the Contel Plan or the Savings Plan, whichever is applicable, but only to the extent that such remuneration is of a type that is recognized and taken into account under the Plan's definition of compensation.

g. "GTE Service" shall mean the Contel Participant's or Savings Participant's period of service after his Transfer Date that is recognized under the terms of the Plan for benefit accrual purposes.

h. "GTE Service Benefit" shall mean a Contel Participant's accrued benefit determined under the Plan's benefit formula and based on the Contel Participant's GTE Service and GTE Compensation.

i. "Total Service Benefit" shall mean a Contel Participant's accrued benefit determined solely under the Plan's benefit formula based on the Contel Participant's Contel Service and GTE Service and his GTE Compensation.

j. "Transfer Date" shall mean the date on which a Contel Participant ceased accruing benefits under the Contel Plan; or, in the case of a Savings Participant, December 31, 1991.

3. a. For purposes of determining vesting and benefit eligibility (including eligibility for early retirement benefits, disability benefits, and other benefits), the Plan shall recognize the period of service with which a Contel Participant is credited as of his Transfer Date, for vesting and benefit eligibility purposes under the terms of the Contel Plan.

b. With respect to a Savings Participant, the Plan shall recognize the period of vesting service with which the Savings Participant is credited as of December 31, 1991, under the terms of the Savings Plan in effect on that date for purposes of determining both vesting and benefit eligibility (including, eligibility for early retirement benefits, disability benefits, and other benefits) under the Plan.

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4. Effective January 1, 1992, the normal retirement benefit under the Plan of a Savings Participant shall be his accrued benefit determined under the Plan's benefit formula and based on his GTE Service and his GTE Compensation.

5. The normal retirement benefit under the Plan of a Contel Participant shall be equal to the greater of the following:

   a. The sum of the Contel Participant's Contel Service Benefit and GTE Service Benefit; or

   b. The Contel Participant's Total Service Benefit.

6. The early retirement benefits, optional forms of benefit, and ancillary benefits that are available under the Contel Plan, shall be available under the Plan to Contel Participants subject to the following conditions:

   a. Early Retirement Benefits:

      (1) A Contel Participant who as of July 1, 1992, has satisfied the requirements for an early retirement benefit under Section 4.3 of the Contel Plan shall be eligible to receive an early retirement benefit subject to the following conditions:

         (a) if the Contel Participant's benefit is determined under Paragraph 5.a., above, his Contel Service Benefit shall be reduced in accordance with the Contel Plan's early retirement reduction factors, and his GTE Service Benefit shall not be reduced to reflect commencement before his normal retirement date; and

         (b) if the Contel Participant's benefit is determined under Paragraph 5.b., above, his Total Service Benefit shall not be reduced to reflect commencement before his normal retirement date.

         A Savings Participant who, as of July 1, 1992, would have satisfied the requirements for an early retirement benefit under Section 4.3 of the Contel Plan, if the Savings Participant had been a participant in the Contel Plan, also shall be eligible to receive an early retirement benefit subject to the foregoing conditions.

      (2) A Contel Participant who, after July 1, 1992, satisfies the requirements for an early retirement benefit under Section 4.3 of the Contel Plan, but who does not satisfy the requirements for an early retirement benefit under the Plan, shall be eligible to receive an early retirement benefit subject to the following conditions:

         (a) if the Contel Participant's benefit is determined under Paragraph 5.a., above, his Contel Service Benefit shall be reduced in accordance with the Contel Plan's early retirement reduction factors, and his GTE Service Benefit shall be actuarially reduced from his normal retirement date (using the Plan's early

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commencement factors that are applicable to deferred vested pensions); and

(b) if the Contel Participant's benefit is determined under Paragraph 5.b., above, his Total Service Benefit shall be actuarially reduced from his normal retirement date (using the Plan's early commencement factors that are applicable to deferred vested pensions).

(3) A Contel Participant who, either before or after July 1, 1992, satisfies the requirements for an early retirement benefit under the Plan shall be eligible to receive an early retirement benefit pursuant to the terms of the Plan regardless of whether he has satisfied the requirements for an early retirement benefit under Section 4.3 of the Contel Plan, subject to the following conditions:

(a) if the Contel Participant's benefit is determined under Paragraph 5.a., above, his Contel Service Benefit shall be reduced in accordance with the Contel Plan's early retirement reduction factors, and his GTE Service Benefit shall be reduced in accordance with the Plan's early retirement reduction factors; and

(b) if the Contel Participant's benefit is determined under Paragraph 5.b., above, his Total Service Benefit shall be reduced in accordance with the Plan's early retirement reduction factors.

(4) Notwithstanding the foregoing provisions of this Section 6(a), there shall be no reduction for early commencement of any benefit payable with respect to a Contel Participant under this Schedule II if the Pension Participant has attained his Normal Retirement Date.

b. Deferred Vested Benefits:

(1) If a Contel Participant terminates from service with a nonforfeitable right to a benefit under Article 6 of the Contel Plan, he may elect to begin receiving his benefit under the Plan as of any date provided under Article 6 of the Contel Plan, or, if earlier, as of any date provided under the terms of the Plan.

(2) If a Contel Participant elects to receive his benefit as provided in Paragraph 6.b.(1), above, his entire benefit shall be reduced in accordance with the Plan's early commencement factors that are applicable to deferred vested pensions. However, in no event shall the amount of a Contel Participant's benefit determined as provided in the preceding sentence be less than the amount of his Contel Service Benefit reduced in accordance with the Contel Plan's early commencement factors that are applicable to deferred vested pensions.

c. Optional Forms of Payment:

(1) If a Contel Participant satisfies (either before or after July 1, 1992) the requirements for an optional form of benefit under the Contel Plan (other than any optional forms of benefit that are available solely with respect to a Transitional Benefit or

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Special Minimum Benefit under Articles 14 and 15 of the Contel Plan), the Contel Participant may elect to receive his entire benefit in any optional form of benefit provided under the Contel Plan (including, but not limited to, a life and 5-year certain annuity, and the various qualified joint and survivor annuities available under Section 4.6B. of the Contel Plan), subject to the conditions specified in clause (2), below. If a Contel Participant satisfies (either before or after July 1, 1992) the requirements for an optional form of benefit under the Plan, the Contel Participant may elect to receive his entire benefit in any optional form of benefit provided under the Plan (including, but not limited to, a lump sum payment). Except as provided in Paragraph 7.c., below, with respect to certain grandfathered benefits, a Contel Participant's election of an optional form shall be applicable to his entire benefit.

(2) If a Contel Participant elects to receive his benefit in a form that is available under both the Contel Plan and the Plan (including a lump sum payment of a vested accrued benefit whose value is $3,500 or less), his benefit shall be determined as follows:

(a) if the Contel Participant's benefit is determined under Paragraph 5.a., above, the Contel Participant's Contel Service Benefit payable in the form provided in Section 4.6A. of the Contel Plan shall be converted to an actuarially equivalent single life annuity ("Converted Contel Service Benefit"), and then the actuarial factors or assumptions that are applicable to the form elected as provided under the terms of the Plan shall be applied to the Contel Participant's Converted Contel Service Benefit and GTE Service Benefit; and

(b) If the Contel Participant's benefit under the Plan is determined under Paragraph 5.b., above, the actuarial factors or assumptions that are applicable to the form elected as provided under the term of the Plan shall be applied to the Contel Participant's entire benefit.

However, in no event shall the amount of a Contel Participant's benefit determined as provided in subclause (a) or (b), above, be less than the amount of the Contel Participant's Contel Service Benefit payable in the same form and determined on the basis of the actuarial factors or assumptions that are applicable to the form elected as provided under the terms of the Contel Plan.

(3) If a Contel Participant elects to receive his benefit in a form that is available solely under the Plan, the Contel Participant's entire benefit shall be determined on the basis of the actuarial factors or assumptions that are applicable to the form elected as provided under the terms of the Plan.

d. Ancillary Benefits: Except as provided in Paragraph 7.a., below, with respect to certain grandfathered benefits, a Contel Participant shall not be eligible under the Plan to receive any ancillary benefit (including, but not limited to any disability benefit not in excess of a "qualified disability benefit" under Section 411(a)(9) of the Code and any pre-retirement or post-retirement death benefit) that is available under the Contel Plan and that is a part of the Contel Participant's Contel Service Benefit. A Contel Participant's entitlement to any ancillary benefit under the Plan shall be determined solely by the terms of the Plan with respect to the Contel Participant's entire accrued benefit. The terms of the Plan shall determine the type, amount duration, and other characteristics of each ancillary benefit that is payable to a Contel Participant.

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7. Provisions Applicable to Certain Grandfathered Benefits:

a. A Contel Participant shall be eligible under the Plan to receive any ancillary benefit that is part of a Transitional Benefit or Special Minimum Benefit provided under Articles 14 and 15 of the Contel Plan, including, but not limited to the Special Surviving Spouse Benefit that is provided for in Section 14.5 of the Contel Plan, but only with respect to the Contel Participant's Transitional Benefit or Special Minimum Benefit that has accrued as of June 30, 1992.

b. If a Contel Participant satisfies the requirements under Article 14 or 15 of the Contel Plan for commencement of benefits before his normal retirement date, he may elect to receive his Contel Service Benefit pursuant to the terms of Article 14 or 15 of the Contel Plan. If a Contel Participant elects to begin receiving his Contel Service Benefit under Article 14 or 15 of the Contel Plan before he is otherwise eligible to receive his GTE Benefit, the Contel Participant shall begin receiving his GTE Benefit on the earliest date under the Plan on which a Contel Participant may begin receiving a benefit.

c. If a Contel Participant satisfies the requirements applicable to any optional forms of benefit that are available solely with respect to a Transitional Benefit or Special Minimum Benefit under Article 14 or 15 of the Contel Plan, the Contel Participant may elect to receive his Contel Service Benefit in any such forms. If a Contel Participant elects to receive his Contel Service Benefit pursuant to this Paragraph 7.c. in a form that includes a survivor annuity, the Contel Participant's GTE Benefit shall be payable under the Plan's automatic qualified joint and survivor annuity, with the same person receiving the survivor annuity under the Contel Service Benefit and the GTE Benefit. If a Contel Participant elects to receive his Contel Service Benefit pursuant to this Paragraph 7.c. in a form that does not provide a survivor annuity, the Contel Participant's GTE Benefit shall be payable as a straight life annuity.

8. Provisions Applicable to All Participants in the Plan:

a. Effective July 1, 1992, a participant in the Plan shall be eligible to elect to receive his benefits in the form of an annuity that is actuarially equivalent to the Plan's single life annuity and that provides equal monthly payments for the life of the participant, with the condition that if the participant dies before he has received 60 monthly payments, the participant's designated beneficiary shall receive monthly payments in the same amount as the participant until a total of 60 monthly payments have been made to the participant and his beneficiary combined.

b. Effective July 1, 1992, a participant in the Plan who terminates employment with 10 years of Accredited Service shall be eligible to commence receiving a deferred vested pension as of any date after he attains age 55. Except as provided in Paragraph 6.b.(2), above, with respect to Contel Participants, a participant's deferred vested pension shall be actuarially reduced from his normal retirement date using the Plan's early commencement factors that are applicable to deferred vested pensions.

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c. Effective July 1, 1992, all pre-March 14, 1991 GTE pension plan or Contel System Pension Plan Vesting, Credited or Accredited Service and Savings Plan Vesting Service of current participants in the Plan that has not already been taken into account under the terms of the Plan will be considered to be Vesting Service or Accredited Service, as the case may be, for all purposes under the terms of the Plan, including vesting, eligibility and benefit computation purposes; provided that no participant shall be credited with Accredited Service pursuant to this Paragraph 8.c. if such participant is receiving a benefit under the Contel System Pension Plan with respect to such service.

d. Section 8.a and 8.b shall not apply to any participant who was an employee of GTE Products Corporation, GTE Valenite Corporation, or GTE Control Devices Incorporated, or who was an employee of GTE Laboratories Incorporated who was transferred to the Electrical Products Group prior to September 21, 1992; however, Sections 8.a and 8.b shall apply to any participant described above who was an employee of GTE Products Corporation or GTE Valenite Corporation and who, on or after May 1, 1994, was an employee of GTE Operations Support Incorporated.

e. The following provisions are effective January 1, 2002 for a Contel Participant who is an Employee on or after January 1, 2002:

(1) A GTE Service Benefit shall be determined only with respect to any non-cash balance formula that may apply to the Contel Participant under the Plan and only for so long as such formula applies to such participant (e.g., for a Contel Participant who is not a Transition-Eligible Employee, there is no accrual under a non-cash balance formula after May 31, 2004 and, therefore, no accrual after May 31, 2004 for the GTE Service Benefit).

(2) Any references in this Schedule to reductions for early commencement, for early retirement or for commencement prior to normal retirement date shall apply solely with respect to non-cash balance formulas applicable to the participant. Amounts payable before (or on or after) normal retirement date under the Plan's cash balance formula shall be determined as described in the main text of the Plan.

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SCHEDULE III

SPECIAL PROVISIONS RELATING TO INDIVIDUALS WHO TRANSFER EMPLOYMENT TO BALTIMORE TECHNOLOGIES PLC

This Schedule III describes the special treatment of certain former Employees under the Products Plan who (i) were Transferred Employees under the Stock Purchase Agreement (the "Agreement") dated January 16, 2000, among Contel Federal Systems, Inc., GTE Cybertrust Solutions Incorporated, and Baltimore Technologies PLC ("Baltimore") and (ii) directly transferred employment from the Company (as defined in the Products Plan) to Baltimore as of the closing (the "Closing") under the Agreement. Each such Transferred Employee shall be subject to the special provisions in this Schedule III (in addition to any other applicable provisions of the Plan).

Such a Transferred Employee who as of May 18, 1999 under the Products Plan, (A) had combined age and years of Accredited Service of at least 66 and (B) had at least 10 years of Accredited Service (and each such Transferred Employee who as of May 18, 1999, was otherwise within 5 years of Normal Retirement Age) shall be credited with:

(a) For purposes of determining his eligibility for early retirement or an unreduced Service Pension under the terms of the Products Plan as in effect at the Closing for purposes of Section 6A.11, additional years of age for the period after the date of his employment transfer and before his Pension Commencement Date;

(b) Additional years of service for the period of his continuous employment with Baltimore for purposes of determining eligibility for early retirement under the terms of the Products Plan as in effect at the Closing for purposes of Section 6A.11 (but in no event for purposes of determining Accredited Service under the Products Plan, except to the extent Accredited Service is used to determine eligibility for early retirement under the Products Plan); and

(c) Additional Monthly Compensation, to determine Average Annual Compensation for purposes of calculating any Pension payable pursuant to Section 6A.11, during the period of his continuous employment with Baltimore determined as if the Transferred Employee's Monthly Compensation (as modified below) from the Company at the time of his transfer of employment increased at an annual rate of 3.5%. Monthly Compensation, for this purpose, shall mean the mean average of a Transferred Employee's Monthly Compensation for the twelve (12) calendar months immediately preceding the calendar month in which the transfer of employment occurs. The 3.5% imputed increase in Monthly Compensation shall apply on an annual (rather than monthly) basis, beginning with the first calendar month following the calendar month in which the transfer of employment occurs.

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SCHEDULE IV

SPECIAL PROVISIONS RELATING TO CERTAIN
EMPLOYEES INVOLVED WITH THE JUNE 28, 2000 INITIAL PUBLIC
OFFERING OF GENUITY INC. OR ANY AFFILIATE THEREOF

This Schedule IV describes the special treatment of an Employee under the Products Plan who both (i) became or remains employed by BBN Corporation or an affiliate thereof pursuant to the June 28, 2000 initial public offering (the "IPO") of Genuity Inc. or any affiliate thereof ("Genuity"), and (ii) participated in the Products Plan immediately prior to the IPO (a "Genuity Transferred Employee"). Each such Genuity Transferred Employee shall be subject to the following special provisions (in addition to any other applicable provisions of the Plan):

(a) During the five-year period beginning on the date of the IPO, a Genuity Transferred Employee shall be credited with:

(i) Additional years of age for the period after the date of the IPO and preceding his Pension Commencement Date for purposes of determining his eligibility for early retirement or an unreduced Service Pension under the Products Plan for purposes of Section 6A.11;

(ii) Additional years of service for the period of his continuous employment with Genuity or any of its affiliates (excluding the Company and its Affiliates) for purposes of determining eligibility for early retirement under the Products Plan for purposes of Section 6A.11 (but in no event for purposes of determining Accredited Service under the Products Plan, except to the extent Accredited Service is used to determine eligibility for early retirement under the Products Plan);

(iii) Additional years of Vesting Service for the period of his continuous employment with Genuity or any of its affiliates (excluding the Company and its Affiliates); and

(iv) Additional Monthly Compensation, to determine Average Annual Compensation under the Products Plan for purposes of calculating any Pension payable pursuant to Section 6A.11, during the period of his continuous employment with Genuity or any of its affiliates (excluding the Company and its Affiliates) determined as if the Genuity Transferred Employee's Monthly Compensation (as modified below) from the Company at the time of his transfer of employment increased at an annual rate of 3.5%. Monthly Compensation, for this purpose, shall mean the mean average of a Genuity Transferred Employee's Monthly Compensation for the twelve (12) calendar months immediately preceding the calendar month in which the transfer of employment occurs. The 3.5% imputed increase in Monthly Compensation shall apply on an annual (rather than monthly) basis, beginning with the first calendar month following the calendar month in which the transfer of employment occurs. If the Genuity Transferred Employee is rehired by the Company (or any successor thereto that sponsors the Plan) during the five-year period beginning on the date of the IPO, the Genuity employee shall be credited under the Products Plan or the Plan, as applicable, with Monthly Compensation for his employment with Genuity at the rate imputed pursuant to the foregoing provisions of this subsection (a)(iv).

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(b) Genuity Transferred Employees shall not be eligible to participate in the Products Plan or the Plan after the date of the IPO except to the extent a Genuity Transferred Employee subsequently becomes an Employee eligible to participate in such Plan pursuant to its otherwise applicable terms, such as by reason of rehire by the Company (or any successor thereto that sponsors the Plan).

(c) The provisions of this Schedule IV shall apply only during the period when the Company determines Genuity is outside of the "controlled group" of the Company and outside of "common control" with the Company within the meaning of Sections 414(b) and (c), respectively, of the Code. If and when Genuity becomes part of the "controlled group" of or under "common control" with the Company, as determined by the Company, the otherwise applicable terms of the Plan shall apply.

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SCHEDULE V

SPECIAL PROVISIONS RELATING TO INDIVIDUALS WHO TRANSFER EMPLOYMENT TO THE VERIZON WIRELESS JOINT VENTURE

This Schedule V relates to Employees who transfer employment from the Company or an Affiliate to the Cellco Partnership (d/b/a Verizon Wireless), Verizon Wireless of the Southeast, Inc. or an "Affiliate" of either (substituting Cellco Partnership or Verizon Wireless of the Southeast, Inc. for Company in such definition, but without regard to the last paragraph of Section 11A.1(b)) (collectively, "Verizon Wireless"). Each such Employee shall receive credit for his service with Verizon Wireless on and after such transfer for purposes of determining such Employee's Vesting Service under the Plan; provided, however, that this provision shall not result in the crediting of service that is already credited to the Employee as Vesting Service under another provision of the Plan.

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SCHEDULE VI
EXCLUSION OF BBN CORPORATION, BBN TECHNOLOGIES AND RELATED EMPLOYEES

Those employees of BBN Corporation, BBN Technologies, GTE Technology Corporation, BBNT Solutions LLC, Federal Networks Systems LLC or any affiliate of any of these entities who are identified as being eligible for a profit sharing allocation under the GTE Savings Plan (the "Verizon Savings Plan for Management Employees" effective January 1, 2002) or the GTE Hourly Savings Plan (the "Verizon Savings and Security Plan for West Region Hourly Employees" effective January 1, 2002) shall not be eligible to participate in the Plan. These individuals shall be identified on a list that is prepared (and updated as appropriate) in connection with the profit sharing eligibility provisions under the savings plans and which shall be sent to the Verizon GTE Benefits Center for purposes of Plan administration.

EXHIBIT 12

Computation of Ratio of Earnings to Fixed Charges
Cellco Partnership (d/b/a Verizon Wireless)

<TABLE>

(in millions, except ratio)	Year Ended December 31,				
	2002	2001	2000	1999	1998
<S>	<C>	<C>	<C>	<C>	<C>
Income from continuing operations before provision for income taxes and cumulative effect of a change in accounting principle	$ 2,777	$ 1,366	$ 1,677	$ 1,138	$ 1,168
Equity in (income) loss of unconsolidated entities	(14)	(6)	(57)	2	19
Interest expense	626	655	593	171	136
Amortization of debt issuance costs	4	-	-	-	-
Portion of rent expense representing interest	216	186	125	53	59
Amortization of capitalized interest	35	27	17	6	6
Distributions from unconsolidated entities	11	9	65	89	116
Income, as adjusted	$ 3,655	$ 2,237	$ 2,420	$ 1,459	$ 1,504
Fixed Charges:					
Interest expense	$ 626	$ 655	$ 593	$ 171	$ 136
Capitalized interest	77	109	81	26	14
Amortization of debt issuance costs	4	-	-	-	-
Preferred return requirement of a consolidated subsidiary	12	-	-	-	-
Portion of rent expense representing interest	216	186	125	53	59
Fixed charges	$ 935	$ 950	$ 799	$ 250	$ 209
Ratio of earnings to fixed charges	3.91	2.35	3.03	5.83	7.19

</TABLE>

EXHIBIT 21

Subsidiaries of the Registrant

<TABLE>

Form LLC/Partnership/Corporation	Jurisdiction of Organization	Doing Business As
LLC		
<S>	<C>	<C>
AirTouch Iowa, LLC	Delaware	Verizon Wireless
AirTouch Iowa RSA 1, LLC	Delaware	Verizon Wireless
AirTouch Iowa RSA 2, LLC	Delaware	Verizon Wireless
AirTouch Iowa RSA 7, LLC	Delaware	Verizon Wireless
AirTouch Minnesota, LLC	Delaware	Verizon Wireless
AirTouch Nebraska, LLC	Delaware	Verizon Wireless
AirTouch North Dakota, LLC	Delaware	Verizon Wireless
AirTouch Utah, LLC	Utah	Verizon Wireless
AirTouch Cellular Eastern Region, LLC	Delaware	Verizon Wireless
AT Delaware II, LLC	Delaware	Verizon Wireless
Bell Atlantic Mobile of Massachusetts Corporation, Ltd.	Bermuda	Verizon Wireless
Captive Partnership, LLC	Delaware	Verizon Wireless
Cellco Telephone Company of the Southeast, LLC	Delaware	Verizon Wireless
Cellco Telephone Company of the Southwest, LLC	Delaware	Verizon Wireless
Cellco Telephone Company, LLC	Delaware	Verizon Wireless
Chicago 10MHz LLC	Delaware	Verizon Wireless
CommNet Cellular License Holding LLC	Colorado	Verizon Wireless
GTE Mobilnet of the Southwest LLC	Delaware	Verizon Wireless
GTE Railfone LLC	Delaware	Verizon Wireless
MBI Oversight LLC	Delaware	Verizon Wireless
Nationwide 929.8875 LLC	Delaware	Verizon Wireless
NC-2 LLC	Delaware	Verizon Wireless
Southern & Central Wireless, LLC	Delaware	Verizon Wireless
TU Acquisition Co., LLC	Delaware	Verizon Wireless
Verizon Wireless Acquisition South LLC	Delaware	Verizon Wireless
Verizon Wireless Capital LLC	Delaware	Verizon Wireless
Verizon Wireless of Georgia LLC	Delaware	Verizon Wireless
Verizon Wireless (VAW) LLC	Delaware	Verizon Wireless
Verizon Wireless Messaging Services, LLC	Delaware	Verizon Wireless
Verizon Wireless Services, LLC	Delaware	Verizon Wireless
Verizon Wireless South Area LLC	Delaware	Verizon Wireless
Verizon Wireless Texas, LLC	Delaware	Verizon Wireless
Corporation		
AirTouch Cellular	California	Verizon Wireless
Athens Cellular, Inc.	Delaware	Verizon Wireless
Bell Atlantic Cellular Consulting Group, Inc.	Delaware	Verizon Wireless
Bell Atlantic Mobile of Asheville, Inc.	North Carolina	Verizon Wireless
Bell Atlantic Mobile Systems of Allentown, Inc.	Delaware	Verizon Wireless
Cellular Inc. Network Corporation	Colorado	Verizon Wireless
Cellular, Inc. Financial Corporation	Colorado	Verizon Wireless
Chequamegon Cellular, Inc	Colorado	Verizon Wireless
CommNet Cellular Inc.	Colorado	Verizon Wireless

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Dakota Systems, Inc.	South Dakota	Verizon Wireless
East Iowa Cellular, Inc.	Iowa	Verizon Wireless
Eastern South Dakota Cellular, Inc.	South Dakota	Verizon Wireless
Gold Creek Cellular, Inc.	Colorado	Verizon Wireless
GTE Mobilnet of Florence, Alabama Incorporated	Delaware	Verizon Wireless
GTE Wireless of the Midwest Incorporated	Indiana	Verizon Wireless
Jefferson Cellular, Inc.	Colorado	Verizon Wireless
Missouri Valley Cellular, Inc.	South Dakota	Verizon Wireless
North Central RSA 2 Inc	North Dakota	Verizon Wireless
Northstar Paging Holdings Ltd.	N/A	Verizon Wireless
Northstar Paging Ltd.	N/A	Verizon Wireless
Northwest Dakota Cellular Inc.	North Dakota	Verizon Wireless
Northwest New Mexico Cellular Inc.	New Mexico	Verizon Wireless
Pinnacles Cellular, Inc	Delaware	Verizon Wireless
Platte River Cellular, Inc.	Colorado	Verizon Wireless
Pueblo Cellular, Inc.	Colorado	Verizon Wireless
Sanborn Cellular, Inc.	South Dakota	Verizon Wireless
Sangre DeCristo Cellular, Inc.	Colorado	Verizon Wireless
Smoky Hill Cellular, Inc.	Colorado	Verizon Wireless
Southwestco Wireless, Inc.	Delaware	Verizon Wireless
Terre Haute Cellular, Inc.	Colorado	Verizon Wireless
Teton Cellular, Inc.	Idaho	Verizon Wireless
Topeka Cellular Telephone Company, Inc.	Delaware	Verizon Wireless
UCN Subsidiary One Inc.	Delaware	Verizon Wireless
Verizon Wireless Canada Corporation	Nova Scotia	Verizon Wireless
Verizon Wireless Messaging Services Canada, Ltd.	N/A	Verizon Wireless
Verizon Wireless of the Southeast, Inc.	Delaware	Verizon Wireless
Western Iowa Cellular, Inc.	Colorado	Verizon Wireless

Partnership

Allentown SMSA Limited Partnership	Delaware	Verizon Wireless
Anderson Cellular Telephone Company	District of Columbia	Verizon Wireless
Badlands Cellular of North Dakota Limited Partnership	Colorado	Verizon Wireless
Bell Atlantic Mobile of Rochester, L.P.	New York	Verizon Wireless
Binghamton MSA Limited Partnership	New York	Verizon Wireless
Bismarck MSA Limited Partnership	Delaware	Verizon Wireless
Boise City MSA Limited Partnership	Delaware	Verizon Wireless
Bristol Bay Cellular Partnership	Delaware	Verizon Wireless
California RSA No. 3 Limited Partnership	California	Verizon Wireless
California RSA No. 4 Limited Partnership	California	Verizon Wireless
Cal-One Cellular L.P.	California	Verizon Wireless
Central Dakota Cellular of North Dakota Limited Partnership	Colorado	Verizon Wireless
Chicago SMSA Limited Partnership	Illinois	Verizon Wireless
Colorado 7-Saguache Limited Partnership	Colorado	Verizon Wireless
Colorado RSA No. 3 Limited Partnership	Delaware	Verizon Wireless
CyberTel Cellular Telephone Company	Missouri	Verizon Wireless
Dallas MTA, L.P.	Delaware	Verizon Wireless
Danville Cellular Telephone Company Limited Partnership	Virginia	Verizon Wireless
Des Moines MSA General Partnership	Iowa	Verizon Wireless
Dubuque MSA Limited Partnership	Delaware	Verizon Wireless
Duluth MSA Limited Partnership	Delaware	Verizon Wireless

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Fayetteville Cellular Telephone Company Limited Partnership	North Carolina	Verizon Wireless
Fresno MSA Limited Partnership	California	Verizon Wireless
Gadsden CellTelCo Partnership	Alabama	Verizon Wireless
Gila River Cellular General Partnership	Arizona	Verizon Wireless
Gold Creek Cellular of Montana Limited Partnership	Colorado	Verizon Wireless
Grays Harbor-Mason Cellular Limited Partnership	Delaware	Verizon Wireless
GTE Mobilnet of California Limited Partnership	California	Verizon Wireless
GTE Mobilnet of Fort Wayne Limited Partnership	Delaware	Verizon Wireless
GTE Mobilnet of Indiana Limited Partnership	Indiana	Verizon Wireless
GTE Mobilnet of Indiana RSA #3 Limited Partnership	Indiana	Verizon Wireless
GTE Mobilnet of Indiana RSA #6 Limited Partnership	Indiana	Verizon Wireless
GTE Mobilnet of Santa Barbara Limited Partnership	Delaware	Verizon Wireless
GTE Mobilnet of South Texas Limited Partnership	Delaware	Verizon Wireless
GTE Mobilnet of Terre Haute Limited Partnership	Delaware	Verizon Wireless
GTE Mobilnet of Texas RSA #17 Limited Partnership	Delaware	Verizon Wireless
GTE Mobilnet of Texas RSA #21 Limited Partnership	Delaware	Verizon Wireless
Hamilton Cellular Telephone Company	Ohio	Verizon Wireless
Idaho 6-Clark RSA Limited Partnership	Idaho	Verizon Wireless
Idaho RSA No. 1 Limited Partnership	Delaware	Verizon Wireless
Idaho RSA No. 2 Limited Partnership	Delaware	Verizon Wireless
Idaho RSA 3 Limited Partnership	Delaware	Verizon Wireless
Illinois RSA 1 Limited Partnership	Illinois	Verizon Wireless
Illinois RSA 6 and 7 Limited Partnership	Illinois	Verizon Wireless
Illinois SMSA LP	Illinois	Verizon Wireless
Illinois Valley Cellular RSA 2-1 Partnership	Illinois	Verizon Wireless
Illinois Valley Cellular RSA 2-III Partnership	Illinois	Verizon Wireless
Indiana RSA #1 Limited Partnership	Indiana	Verizon Wireless
Indiana RSA 2 Limited Partnership	Delaware	Verizon Wireless
Iowa 8-Monona Limited Partnership	Colorado	Verizon Wireless
Iowa RSA 5 Limited Partnership	Delaware	Verizon Wireless
Iowa RSA No. 1 Limited Partnership	Delaware	Verizon Wireless
Iowa RSA No. 2 Limited Partnership	Iowa	Verizon Wireless
Iowa RSA No. 4 Limited Partnership	Delaware	Verizon Wireless
Jacksonville MSA Limited Partnership	Delaware	Verizon Wireless
Kentucky RSA No. 1 Partnership	Delaware	Verizon Wireless
Los Angeles SMSA Limited Partnership	California	Verizon Wireless
Marais des Cygnes Cellular of Missouri Limited Partnership	Colorado	Verizon Wireless
Missouri RSA 9B1 Limited Partnership	Delaware	Verizon Wireless
Modoc RSA Limited Partnership	California	Verizon Wireless
Mohave Cellular Limited Partnership	Delaware	Verizon Wireless
Muskegon Cellular Partnership	District of Columbia	Verizon Wireless
New Hampshire RSA 2 Partnership	Delaware	Verizon Wireless
New Mexico RSA 3 Limited Partnership	Delaware	Verizon Wireless
New Mexico RSA 6-1 Partnership	New Mexico	Verizon Wireless
New Mexico RSA No. 5 Limited Partnership	Delaware	Verizon Wireless
New Par	Delaware	Verizon Wireless
New York RSA 2 Cellular Partnership	New York	Verizon Wireless
New York RSA No. 3 Cellular Partnership	New York	Verizon Wireless
New York SMSA Limited Partnership	New York	Verizon Wireless
North Central RSA 2 of North Dakota Limited Partnership	North Dakota	Verizon Wireless
North Dakota 5-Kidder Limited Partnership	Colorado	Verizon Wireless
North Dakota RSA No. 3 Limited Partnership	Delaware	Verizon Wireless

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Northeast Pennsylvania SMSA Limited Partnership	Delaware	Verizon Wireless
Northern New Mexico Limited Partnership	Colorado	Verizon Wireless
Northwest Dakota Cellular of North Dakota Limited Partnership	Colorado	Verizon Wireless
Northwest New Mexico Cellular of New Mexico Limited Partnership	Colorado	Verizon Wireless
NYNEX Mobile Limited Partnership 1	Delaware	Verizon Wireless
NYNEX Mobile Limited Partnership 2	Delaware	Verizon Wireless
NYNEX Mobile of New York, L.P.	Delaware	Verizon Wireless
Olympia Cellular Limited Partnership	Delaware	Verizon Wireless
Omaha Cellular Telephone Company	Iowa	Verizon Wireless
Orange County-Poughkeepsie Limited Partnership	New York	Verizon Wireless
Oxnard-Ventura-Simi Limited Partnership	California	Verizon Wireless
Pennsylvania 3 Sector 2 Limited Partnership	Delaware	Verizon Wireless
Pennsylvania 4 Sector 2 Limited Partnership	Delaware	Verizon Wireless
Pennsylvania RSA 1 Limited Partnership	Delaware	Verizon Wireless
Pennsylvania RSA No. 6 (I) Limited Partnership	Delaware	Verizon Wireless
Pennsylvania RSA No. 6 (II) Limited Partnership	Delaware	Verizon Wireless
Pittsburgh SMSA Limited Partnership	Delaware	Verizon Wireless
Pittsfield Cellular Telephone Company	Massachusetts	Verizon Wireless
Platte River Cellular of Colorado Limited Partnership	Colorado	Verizon Wireless
Portland Cellular Partnership	Maine	Verizon Wireless
Red River Cellular of North Dakota Limited Partnership	Colorado	Verizon Wireless
Redding MSA Limited Partnership	California	Verizon Wireless
Riverbend Cellular of Iowa Limited Partnership	Colorado	Verizon Wireless
Rockford MSA Limited Partnership	Illinois	Verizon Wireless
RSA 7 Limited Partnership	Delaware	Verizon Wireless
Sacramento Valley Limited Partnership	California	Verizon Wireless
San Antonio MTA, L.P.	Delaware	Verizon Wireless
San Isabel Cellular of Colorado Limited Partnership	Colorado	Verizon Wireless
Sand Dunes Cellular of Colorado Limited Partnership	Colorado	Verizon Wireless
Seattle SMSA Limited Partnership	Delaware	Verizon Wireless
Sioux City MSA Limited Partnership	Iowa	Verizon Wireless
Smoky Hill Cellular of Colorado Limited Partnership	Colorado	Verizon Wireless
Southern Indiana RSA Limited Partnership	Indiana	Verizon Wireless
Southwestco Wireless L.P.	Delaware	Verizon Wireless
Spokane MSA Limited Partnership	Delaware	Verizon Wireless
Springfield Cellular Telephone Company	Delaware	Verizon Wireless
St. Joseph CellTelCo	Missouri	Verizon Wireless
St. Lawrence Seaway RSA Cellular Partnership	New York	Verizon Wireless
Syracuse SMSA Limited Partnership	New York	Verizon Wireless
Teton Cellular of Idaho Limited Partnership	Colorado	Verizon Wireless
The Great Salt Flats Partnership	Utah	Verizon Wireless
Tuscaloosa Cellular Partnership	Delaware	Verizon Wireless
UCN (Binghamton) Wireless Limited Partnership	Delaware	Verizon Wireless
Upstate Cellular Network	New York	Verizon Wireless
Utah RSA 6 Limited Partnership	Delaware	Verizon Wireless
Utica Rome Cellular Partnership	New York	Verizon Wireless
Verizon Wireless (VWMS) of Texas LP	Arizona	Verizon Wireless
Verizon Wireless of the East LP	Delaware	Verizon Wireless
Verizon Wireless Network Procurement LP	Delaware	Verizon Wireless
Verizon Wireless Personal Communications LP	Delaware	Verizon Wireless
Verizon Wireless Tennessee Partnership	Delaware	Verizon Wireless
Vermont RSA Limited Partnership	Delaware	Verizon Wireless

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Virginia RSA 5 Limited Partnership	Virginia	Verizon Wireless
Virginia 10 RSA Limited Partnership	Virginia	Verizon Wireless
Virginia Cellular Retail Limited Partnership	Virginia	Verizon Wireless
Virginia RSA 2 Limited Partnership	Delaware	Verizon Wireless
Virginia RSA 5 Retail Limited Partnership	Virginia	Verizon Wireless
Wasatch Utah RSA No. 2 Limited Partnership	Delaware	Verizon Wireless
Washington, D.C. SMSA Limited Partnership	Virginia	Verizon Wireless
Waterloo MSA Limited Partnership	Delaware	Verizon Wireless
Wescel Cellular of New Mexico Limited Partnership	Colorado	Verizon Wireless
West Iowa Cellular of Iowa Limited Partnership	Colorado	Verizon Wireless
Wisconsin RSA No. 8 Limited Partnership	Delaware	Verizon Wireless
Wyoming 1-Park Limited Partnership	Colorado	Verizon Wireless
Yellowstone Cellular of Wyoming Limited Partnership	Colorado	Verizon Wireless

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EXHIBIT 24

POWER OF ATTORNEY

WHEREAS, Cellco Partnership d/b/a Verizon Wireless, a Delaware general partnership (hereinafter referred to as the Company), proposes to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K relating to the Company's fiscal year ended December 31, 2002.

NOW, THEREFORE, the undersigned hereby appoints Dennis F. Strigl and Andrew N. Halford, acting jointly, his true and lawful attorneys-in-fact and agents with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K and any and all amendments, and to file the same, with all exhibits thereto and all documents in connection therewith, making such changes in the Annual Report on Form 10-K as such persons so acting deem appropriate, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, acting jointly, full power of authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or their substitute or substitutes, may lawfully do or cause to be done or by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 24th day of March, 2003.

/s/ Lawrence T. Babbio, Jr.

Lawrence T. Babbio, Jr.

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POWER OF ATTORNEY

WHEREAS, Cellco Partnership d/b/a Verizon Wireless, a Delaware general partnership (hereinafter referred to as the Company), proposes to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K relating to the Company's fiscal year ended December 31, 2002.

NOW, THEREFORE, the undersigned hereby appoints Dennis F. Strigl and Andrew N. Halford, acting jointly, his true and lawful attorneys-in-fact and agents with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K and any and all amendments, and to file the same, with all exhibits thereto and all documents in connection therewith, making such changes in the Annual Report on Form 10-K as such persons so acting deem appropriate, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, acting jointly, full power of authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or their substitute or substitutes, may lawfully do or cause to be done or by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 24th day of March, 2003.

/s/ Christopher C. Gent

Christopher C. Gent

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POWER OF ATTORNEY

WHEREAS, Cellco Partnership d/b/a Verizon Wireless, a Delaware general partnership (hereinafter referred to as the Company), proposes to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K relating to the Company's fiscal year ended December 31, 2002.

NOW, THEREFORE, the undersigned hereby appoints Dennis F. Strigl and Andrew N. Halford, acting jointly, his true and lawful attorneys-in-fact and agents with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K and any and all amendments, and to file the same, with all exhibits thereto and all documents in connection therewith, making such changes in the Annual Report on Form 10-K as such persons so acting deem appropriate, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, acting jointly, full power of authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or their substitute or substitutes, may lawfully do or cause to be done or by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 24th day of March, 2003.

/s/ Kenneth J. Hydon

Kenneth J. Hydon

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POWER OF ATTORNEY

WHEREAS, Cellco Partnership d/b/a Verizon Wireless, a Delaware general partnership (hereinafter referred to as the Company), proposes to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K relating to the Company's fiscal year ended December 31, 2002.

NOW, THEREFORE, the undersigned hereby appoints Dennis F. Strigl and Andrew N. Halford, acting jointly, his true and lawful attorneys-in-fact and agents with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K and any and all amendments, and to file the same, with all exhibits thereto and all documents in connection therewith, making such changes in the Annual Report on Form 10-K as such persons so acting deem appropriate, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, acting jointly, full power of authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or their substitute or substitutes, may lawfully do or cause to be done or by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 21st day of March, 2003.

/s/ Tomas Isaksson

Tomas Isaksson

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POWER OF ATTORNEY

WHEREAS, Cellco Partnership d/b/a Verizon Wireless, a Delaware general partnership (hereinafter referred to as the Company), proposes to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K relating to the Company's fiscal year ended December 31, 2002.

NOW, THEREFORE, the undersigned hereby appoints Dennis F. Strigl and Andrew N. Halford, acting jointly, his true and lawful attorneys-in-fact and agents with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K and any and all amendments, and to file the same, with all exhibits thereto and all documents in connection therewith, making such changes in the Annual Report on Form 10-K as such persons so acting deem appropriate, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, acting jointly, full power of authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or their substitute or substitutes, may lawfully do or cause to be done or by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 20th day of March, 2003.

/s/ Ivan G. Seidenberg

Ivan G. Seidenberg

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POWER OF ATTORNEY

WHEREAS, Cellco Partnership d/b/a Verizon Wireless, a Delaware general partnership (hereinafter referred to as the Company), proposes to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K relating to the Company's fiscal year ended December 31, 2002.

NOW, THEREFORE, the undersigned hereby appoints Dennis F. Strigl and Andrew N. Halford, acting jointly, her true and lawful attorneys-in-fact and agents with full power of substitution, for her and in her name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K and any and all amendments, and to file the same, with all exhibits thereto and all documents in connection therewith, making such changes in the Annual Report on Form 10-K as such persons so acting deem appropriate, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, acting jointly, full power of authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or their substitute or substitutes, may lawfully do or cause to be done or by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 24th day of March, 2003.

/s/ Doreen A. Toben

Doreen A. Toben

EXHIBIT 99.1

March 27, 2003

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

WRITTEN STATEMENT OF THE CHIEF EXECUTIVE OFFICER ACCOMPANYING REPORT ON FORM 10-K OF CELLCO PARTNERSHIP (THE "PARTNERSHIP") FOR THE YEAR ENDING DECEMBER 31, 2002

I, Dennis F. Strigl, President and Chief Executive Officer of the Partnership, certify that:

(1) the report of the Partnership on Form 10-K for the year ending December 31, 2002 (the "Report") fully complies with the requirements of section 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership as of the dates and for the periods presented in the Report.

This statement is being provided pursuant to section 1350 of chapter 63 of title 18 of the United States Code.

/s/ Dennis F. Strigl

Dennis F. Strigl

A signed original of this written statement required by Section 906 has been provided to Cellco Partnership and will be retained by Cellco Partnership and furnished to the Securities and Exchange Commission or its staff upon request.

This certification is being submitted to the Securities and Exchange Commission solely for the purpose of complying with Section 1350 of Chapter 63 of Title 18 of the United States Code. This certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This certification does not constitute a part of Cellco Partnership's Annual Report on Form 10-K accompanying this certification and to which it is an exhibit.

EXHIBIT 99.2

March 27, 2003

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

WRITTEN STATEMENT OF THE CHIEF FINANCIAL OFFICER ACCOMPANYING REPORT ON FORM 10-K OF CELLCO PARTNERSHIP (THE "PARTNERSHIP") FOR THE YEAR ENDING DECEMBER 31, 2002

I, Andrew N. Halford, Vice President and Chief Financial Officer of the Partnership, certify that:

(1) the report of the Partnership on Form 10-K for the year ending December 31, 2002 (the "Report") fully complies with the requirements of section 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership as of the dates and for the periods presented in the Report.

This statement is being provided pursuant to section 1350 of chapter 63 of title 18 of the United States Code.

/s/ Andrew N. Halford

Andrew N. Halford

A signed original of this written statement required by Section 906 has been provided to Cellco Partnership and will be retained by Cellco Partnership and furnished to the Securities and Exchange Commission or its staff upon request.

This certification is being submitted to the Securities and Exchange Commission solely for the purpose of complying with Section 1350 of Chapter 63 of Title 18 of the United States Code. This certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This certification does not constitute a part of Cellco Partnership's Annual Report on Form 10-K accompanying this certification and to which it is an exhibit.