

Newspaper Guild enters bidding for a dozen Knight-Ridder newspapers

WASHINGTON, D.C. (PAI) — Saying it seeks to get ahead of the curve, not just react to a done deal, The Newspaper Guild wants to get into the newspaper business.

As a result, the 33,000-member Communications Workers of America sector is working with an investment firm to bid for 12 newspapers of the Knight-Ridder chain.

Together, they have set up the ValuePlus Media Corp., to try to engineer the purchase. An employee stock ownership plan is down the line.

If the Guild succeeds, it would mark an unusual development in the newspaper business and a change from labor's normal pattern of scrambling to bargain with new owners of a business about the impact of a sale on workers.

It would also give unions a gateway into a media world now ruled by huge conglomerates, many of them anti-union. It was the domination factor that prompted the Guild to lead last year's successful campaign against federal rule changes making it easier for media concentration.

Most newspapers in the U.S. are owned by media conglomerates. Examples are the 32-paper Knight-Ridder chain, and the Chicago-based Tribune Corp. Tribune owns its flagship Chicago Tribune, WGN cable and over-the-air television, part of the Internet, the Los Angeles Times, the Baltimore Sun, Newsday of New York, the

Hartford (Conn.) Courant and other papers.

Ruling families control other publicly-owned papers, including the New York Times, the Washington Post and the Wall Street Journal. All three of those newspapers are under union contracts.

The Guild's decision and search for a partner actually started late last year, when Knight-Ridder's biggest shareholders forced its owners to put it up for sale. Those investment houses were disappointed with a flat stock price and with the fact that profits at the chain were below the industry "norm" — which is more than 20 percent.

Knight-Ridder announced March 13 that the Sacramento-based McClatchy Newspapers would buy its 32 newspapers for what some analysts called a "bargain basement price" of \$4.5 billion for the nation's second-largest newspaper chain.

But that sale came with a caveat: McClatchy, in turn, plans to sell 12 of Knight-Ridder's largest papers — including its two flagships, the Philadelphia Inquirer and the San Jose Mercury News — where it says growth is not fast enough or where they compete with other papers. To avoid antitrust problems, McClatchy will buy Knight-Ridder's Minneapolis Star-Tribune and sell its own St. Paul Pioneer Press.

Included in the 12 newspapers are eight papers organized by the News-

per Guild-CWA, including the St. Paul Pioneer Press, Duluth News Tribune, Grand Forks Herald, the Philadelphia Inquirer, the Philadelphia Daily News, the San Jose Mercury News, the Akron Beacon Journal, and the Monterey County Herald.

The nonunion papers include the Aberdeen American News, the Contra Costa Times, the Fort Wayne News-Sentinel and the Wilkes-Barre Times Leader.

"From the start, our goal has been to facilitate a worker-friendly buyout of these newspapers that have a combined employment of approximately 7,000 and a combined daily circulation of 1.3 million," said TNG President Linda Foley. "While we have been focused on the TNG-CWA unionized papers, our team will consider the entire package of 12 papers.

"We believe our team is a viable and credible acquirer of any and all of the newspapers McClatchy has indicated it intends to sell and we look forward to the opportunity to discuss our interest with McClatchy. Our effort enjoys the backing of the Yucaipa Companies of Los Angeles, the largest 'worker-friendly' fund in the nation, and the professional counsel of Duff & Phelps Securities, LLC of Chicago and Ownership Associates of Cambridge, Mass.," Foley added.

Alliance for Retired Americans charts ambitious 2006 agenda

The Oregon Alliance for Retired Americans (ARA) held its third annual convention March 25 at the Teamsters Hall in Northeast Portland. More than 65 people were in attendance.

Oregon is one of 22 states that have chapters of the AFL-CIO-chartered union retirees organization.

Ed Coyle, executive director of the national ARA in Washington, D.C., reported on an ambitious political agenda the national group has planned that targets several House, Senate and governor's races.

The goal is to elect officials who support seniors on issues such as Medicare, Social Security, long-term health care and affordable housing.

He said the group is looking at Washington State and the re-election campaign of labor-endorsed Maria Cantwell to the U.S. Senate as one of its targeted races.

Speaking about Medicare prescription drug changes enacted by the Bush Administration, Coyle said before the end of the year roughly 3.8 million seniors will have to pay 100 percent of the cost of their prescription drugs out of pocket, while continuing to pay their monthly insurance premium.

"They call it the 'doughnut hole,' and not too many retirees are aware of it," he said.

Under the new plan, Medicare Part D pays three-fourths of drug costs from \$251 to \$2,250. Most seniors have to pay 100 percent of the costs between \$2,250 and \$5,100 — while continuing to pay their monthly premium. Once an individual has paid the \$3,600 in out-of-pocket costs, Medicare Part D will kick in again, picking up 95 percent of the remaining costs for prescription drugs for the remainder of the year.

"It's important that we elect a senior-friendly Congress in 2006," Coyle emphasized.



Coyle later presented Nellie Fox Edwards (pictured together above), and Don Patch with special recognition awards for their work with ARA and for helping seniors.

Oregon ARA President Verna Porter also presented an award to Congressman Earl Blumenauer for his leadership efforts to improve the lives of older Americans. Blumenauer could not attend because his mother is ill.

Porter said the Oregon chapter is actively working to ally with a broad network of community-based groups committed to senior issues and has embarked on a campaign to recruit "non-retirees" to the ARA.

"We're an alliance *for* retirees, not an alliance *of* retirees," she said.

Porter said workers in their 50s also are concerned about the future of Social Security, pensions and health care. "Many feel that things will only be worse by the time they retire." She welcomed the "ideas and energy" of non-retirees and soon-to-be retirees and invited them to join the Oregon chapter. A one-year membership for an individual is only \$10.

For more information about the organization or to join, call Porter at 503-284-8591.

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