

Alden Global Capital LLC
885 Third Avenue
New York, NY

CONFIDENTIAL

March 27, 2020

The Honorable Dick Durbin
United States Senate
711 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Tammy Duckworth
United States Senate
524 Hart Senate Office Building
Washington, D.C. 20510

Re: March 12, 2020 Letter to Alden Global Capital LLC

Dear Senators Durbin and Duckworth,

We appreciate the opportunity to respond to your letter dated March 12, 2020 (the “Letter”), in which you requested information related to Alden’s relationship with Tribune Publishing Company (“Tribune”).

Alden is a significant investor in MediaNews Group, Inc., (“MNG”) which is committed to ensuring communities across the country are served by robust, independently minded local journalism. Now more than ever, families across the country depend on their local news for timely, fact based reporting. As the on-going global COVID-19 pandemic highlights, reliable news and information is essential to ensuring the health and safety of our local communities. MNG’s goal is to operate newspapers in a sustainable and responsible way so that they will continue to exist successfully for the benefit of their local communities and shareholders over the long term. Notably, all of MNG’s newspapers have editorial independence in both their newsrooms and opinion sections. MNG’s talented team of seasoned newspaper executives have worked in journalism for an average of more than 30 years and have a successful track record of turning around and sustaining challenged newspaper businesses.

Given the extensive inaccurate media coverage Alden and MNG have received, we appreciate the opportunity to clear up some common misconceptions. We have previously made the decision to focus on operating our business rather than arguing over errors in media coverage. Perhaps we should have been more proactive in setting the record straight and correcting coverage in order to have avoided the erroneous ways we are now viewed.

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MNG is one of the leading newspaper operators in the U.S. with approximately 200 publications including The Denver Post, The Mercury News (San Jose), The Pioneer Press (St. Paul) and The Monterey County Herald. MNG has never closed a daily newspaper during our ownership. Given the industry trends, including in your home state of Illinois, we think this is something to celebrate. Too often, MNG is the buyer rescuing newspapers like *The Reading Eagle*, *The Greeley Tribune*, *The Boston Herald* or *The Orange County Register* from bankruptcy or liquidation or perilously close to that fate. Indeed, failing to equip local newspapers so they can adapt to the economic realities of the newspaper business in the 21st century would most certainly lead to more newspapers going out of business in your state and across the country.

Alden acutely understands that local newspapers in the U.S. are struggling, putting the important and vital role they play in our communities at risk. The documented reality is that tech behemoths such as Google and Facebook are devouring the advertising base that has traditionally supported newspapers. Based on analysis conducted at Pew Research Center, total print advertising revenue in the U.S. newspaper industry was estimated to have declined from \$46.6 Billion in 2006 to \$9.3 Billion in 2018, a loss of \$37.3 Billion or an 80% decline. In that same period, total digital advertising revenue in the U.S. newspaper industry was estimated to have increased only \$2.3 Billion growing from \$2.7 Billion to \$5.0 Billion. That equates to a total estimated loss of \$35 Billion in total advertising revenue in the U.S. newspaper industry from 2006 through 2018. Unfortunately, digital advertising dollars are not near replacing the dramatic declines in print advertising dollars the newspaper industry is experiencing. The digital transformation of the U.S. newspaper industry is in its early stages. And if local newspapers do not reset to these economic challenges they may cease to exist. As you may be aware, a 2018 study from the University of North Carolina found that the U.S. has lost nearly 1,800 local newspapers since 2004, or approximately one in five. Clearly, if local newspapers fail to adapt to the economic realities they will continue to close.

As you know, Illinois has already been deeply impacted by the loss of local journalism, with numerous publications closing or significantly reducing staff over the last decade. Just last November The News-Gazette in Champaign-Urbana laid off over 30 employees after Community Media Group bought them out of bankruptcy in August 2019, while The St. Joseph Leader and The County Star in southern Champaign County closed their doors permanently in August of 2018. Moreover, in 2015 Gannett (formerly New Media) shut down The Murphysboro American, Galattia's Money-Stretcher, and The Daily American of West Frankfort, IL ending nearly a century of providing local and national news to its residents. Attached for your convenience is a list of articles and publications detailing the significant issues facing the industry.

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Alden is an active investor in the newspaper industry, and believes in helping local papers operate successfully over the long term. With our minority investment in Tribune, we seek to further our goals of supporting local newspapers, with a focus on ensuring that publications can operate profitably and sustainably. Alden is committed to local news coverage and to enabling local papers to serve their communities well into the future. As Alden is a minority equity holder of Tribune (holding 32%), it is critical to underscore that Tribune operates independently. As a result, Alden does not, and cannot, make decisions regarding operations, selling assets, influencing newspaper portfolios, staffing, or facilities for Tribune. These decisions are made solely by Tribune. At this time, Alden has not made any decision regarding additional investments in Tribune.

In your Letter you stated that Alden is under investigation by the Department of Labor regarding Alden's management of employee pension savings. The inquiry was closed by the Department of Labor and completed to its satisfaction. We appreciate the opportunity to reiterate MNG's commitment to supporting the participants and beneficiaries of its employee pension plans.

With respect to Alden's structure and its investors, Alden is located in the United States and is fully compliant with all relevant legal requirements as a registered investment advisor. As is typical in our industry, there may be certain legal entities and organizational structures formed outside of the United States. While Alden has customary contractual confidentiality arrangements with its investors limiting its ability to disclose their identities or background information, we can share that Alden is controlled by U.S. citizens. We can also disclose that all of the ultimate beneficiaries of the interests in the Alden investment funds are U.S. or EU persons.

All of this is to say we understand, given the depth and breadth of inaccurate media coverage, why you may be skeptical. We are heartened by the fact that, in reality, we share the belief that Americans need and deserve robust local journalism that operates with editorial independence.

Sincerely,

A handwritten signature in black ink, appearing to read "Heath Freeman", with a long horizontal line extending to the right.

Heath Freeman

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Articles & Publications

This list includes coverage of layoffs, buyouts and closures at local, regional and national newspapers, including several Illinois publications:

Illinois

- November 2019: **The News-Gazette** in Champaign laid off over 30 employees and ended its Monday print edition (owned by Community Media Group): <https://capitolfax.com/2019/11/12/huge-layoffs-at-news-gazette/>
- November 2019: **Hoy**, a Spanish-language newspaper based in Chicago, shut down (owned by Tribune): <https://www.niemanlab.org/2019/11/tribune-publishing-shutters-spanish-language-newspaper-hoy-in-chicago/>
- July 2019: **The Chicago Defender's** print edition shut down due to a “changing media market” (owned by Real Times Media): <https://www.nydailynews.com/news/national/ny-chicago-defender-ending-operations-20190706-img54ig5vjbrbb3utq3uoqkry-story.html>
- May 2019: **The Peoria Journal Star** in Peoria announced a round of layoffs (owned by GateHouse): <https://week.com/2019/05/24/more-layoffs-at-peoria-journal-star-other-local-gatehouse-papers/>
- August 2018: Two newspapers, **The St. Joseph Leader** in St. Joseph and **The County Star** in southern Champaign County, shut down due to declining advertising and subscription revenue (owned by News Gazette Media at the time) https://www.news-gazette.com/news/news-gazette-media-ending-publication-of-st-joseph-leader-county/article_0d4b3998-9247-51d9-a2c8-36af57cf3e8a.html
- May 2018: **The Chicago Jewish Star** ended publication due to a “decline in advertising” (owned by Star Media Group) <https://www.jta.org/2018/05/07/united-states/independent-chicago-jewish-star-newspaper-closes>
- March 2018: The **Chicago Tribune** laid off another round of employees (owned by Tribune): <https://www.robertfeder.com/2018/03/15/layoffs-hit-chicago-tribune-newsroom-2/>
- March 2018: The **Chicago Tribune** laid off another round of employees (owned by Tribune): <https://www.robertfeder.com/2018/03/15/layoffs-hit-chicago-tribune-newsroom-2/>
- November 2017: **The Elgin Courier-News** in Elgin reduced print publication from daily to three days per week (owned by Tribune): <https://www.robertfeder.com/2017/11/06/elgin-courier-news-cut-three-days-week/>
- March 2016: **The Southern Illinoisan** in Carbondale eliminated its Monday print edition due to declining advertising revenue and increasing online readership (owned by Lee Enterprises): https://thesouthern.com/news/local/last-monday-southern-illinoisan-newspaper-does-not-mean-the-end/article_e32b5d52-dcf0-57be-a602-3e0856a6e425.html
- May 2013: **The Chicago Sun-Times** laid off all of its photographers (owned by Sun-Times Media Group): <https://www.nytimes.com/2013/06/01/business/media/chicago-sun-times-lays-off-all-its-full-time-photographers.html>

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- April 2015: **Gatehouse Media** announced the closure of three local Illinois newspapers “The Murphysboro American,” West Frankfort’s “Daily American,” and Galatia’s “Money-Stretcher”:
<https://www.kfvs12.com/story/28711366/3-southern-il-newspapers-to-close-up-shop/>
- January 2012: **The State Journal-Register** in Springfield laid off nearly a dozen staffers (owned by GateHouse): <https://www.illinoistimes.com/springfield/sj-r-to-lay-off-copy-editors/Content?oid=11440144>
January 2012: **Chicago Tribune** announced a new round of voluntary buyouts (owned by Tribune):
<https://www.chicagotribune.com/business/ct-xpm-2012-01-16-chi-tribune-offers-newsroom-voluntary-buyouts-20120116-story.html>
- November 2007: **The Daily Southtown** in Chicago laid off more than 30 staffers (owned by Sun-Times Media Group): <http://prev.dailyherald.com/story/?id=73525>

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Industry Wide

- March 2020: **The Cleveland Plain Dealer** laid off 22 employees citing a changing industry revenue model and losses in subscriptions and advertising (owned by Advance Publications): https://www.cleveland.com/news/2020/03/staff-cuts-in-the-plain-dealer-newsroom-announced-as-industry-financial-pressures-grow.html?fbclid=IwAR0ncV8Sh3JGgXRrLGQOUzyUBJOx1787kqkixp2o61CMjGlgC_SzfPC5-U
- January 2020: **The Catskill Mountain News** shut down (owned by Joan Lawrence-Bauer): <https://hudsonvalleyone.com/2020/01/31/catskill-mountain-news-historic-weekly-newspaper-ceases-publication/>
- January 2020: **The Miami Herald** closed their production plant (owned by McClatchy): <https://www.miamiherald.com/news/business/article239510943.html>
- January 2020: **The Seattle Times** laid off 42 employees at a printing plant citing a decline of print readers (owned by The Seattle Times Company): <https://www.kuow.org/stories/the-trade-is-what-it-is-dozens-of-layoffs-ahead-as-the-seattle-times-closes-its-north-creek-printing-plant>
- October 2019: **amNewYork** laid off 40%+ of employees, from 16 to 7, after Newsday Media Group sold the paper to Schneps Media: <https://www.nytimes.com/2019/10/11/business/media/amnewyork-layoffs-schneps.html>
- September 2019: **The Washington Post's Express** newspaper shut down citing readers increasingly consuming content online and declining circulation numbers (owned by Jeff Bezos's Nash Holdings): <https://dcist.com/story/19/09/11/washington-post-express-is-shutting-down-tomorrow/>
- June 2019: **Newsday** offered voluntary buyouts (owned by Patrick Dolan): <https://nypost.com/2019/07/25/patrick-dolans-newsday-offers-voluntary-buyouts/>
- May 2019: **GateHouse** laid off 159 employees across 60 publications, citing a “restructuring” ahead of the merger: <https://www.businessinsider.com/gatehouse-media-layoffs-after-poor-earnings-2019-5>
- May 2019: The entire staff of **The New Orleans Times-Picayune** (161 employees) was laid off due to sale of the paper (Advance Publications sold to The Advocate in New Orleans): <https://nypost.com/2019/05/03/entire-new-orleans-times-picayune-staff-axed-after-sale-to-competitor/>
- March 2019: **New York Media** laid off 32 staffers, citing a “restructuring,” a “build out of [our] digital subscription business” and “integration of print and digital staffs” (was owned by the Wasserstein family and later sold to Vox Media): <https://nypost.com/2019/03/11/new-york-media-lays-off-32-workers/>
- January 2019: **Gannett** laid off 400 employees across the U.S., including six people at The Record in New Jersey and four at Westchester Journal News in New York, ahead of the merger: <https://nypost.com/2019/01/24/gannett-bloodbath-claims-as-many-as-400-jobs/>
- January 2019: **The Dallas Morning News** laid off 43 employees due to “print revenue declines” and increasing need for digital offerings (owned by A. H. Belo Corporation): <https://www.dallasnews.com/business/local-companies/2019/01/07/dallas-morning-news-lays-off-43-as-company-struggles-with-revenue-declines/>
- December 2018: **The Tri-Town News** in Sidney, New York shut down (owned by River Valley News Group, which is owned by Lee Enterprises): <https://cnynews.com/sidney-n-y-newspaper-to-shut-down-after-136-years/>
- August 2018: **The Village Voice** shut down its print edition after the paper was sold and laid off its entire staff, the digital version was later shut down as well (Voice Media Group sold to Black Walnut Holdings): <https://gothamist.com/news/the-village-voice-is-officially-dead>

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- August 2018: **McClatchy** laid off 140 employees in part due to the “decline in revenue from print advertising:” <https://money.cnn.com/2018/08/21/media/mcclatchy-staff-layoffs/index.html>
- July 2018: **The New York Daily News** laid off 50% of staff (45 employees) due to “continuing financial pressure on the print media industry” (owned by Tribune): <https://nypost.com/2018/07/24/daily-news-massacre-even-worse-than-first-reported/>
- November 2017: **The Baltimore City Paper** shut down (owned by Baltimore Sun Group which is owned by Tribune): https://www.washingtonpost.com/lifestyle/magazine/baltimore-city-paper-is-closing-after-40-years-will-it-be-missed/2017/10/31/73b5b4d4-a951-11e7-b3aa-c0e2e1d41e38_story.html
- February 2017: **The San Diego Union-Tribune** laid off 7 journalists (owned by Tribune at the time): <https://www.poynter.org/business-work/2017/layoffs-hit-troncs-san-diego-union-tribune/>
- November 2016: Layoffs at **The Ithaca Journal** left the paper with solely one newsroom reporter; a decline in advertising revenue was cited (owned by Gannett) <https://theithacan.org/news/ithaca-journal-layoffs-reflect-continued-staffing-decrease/>
- November 2016: **The Wall Street Journal** laid off its Greater New York section reporting team due to a “print advertising slump” (owned by NewsCorp): <https://www.poynter.org/business-work/2016/layoffs-hit-the-wall-street-journal-2/>
- October 2016: **The Journal News** in Westchester County laid off 5 newsroom positions and **The Poughkeepsie Journal** laid off 7 employees (both owned by Gannett): <https://www.wamc.org/post/gannett-layoffs-hit-two-hudson-valley-papers>
- October 2016: **Democrat and Chronicle** laid off 8 Rochester employees (owned by Gannett): <https://www.democratandchronicle.com/story/money/business/2016/10/25/gannett-layoffs-rochester-democrat-chronicle/92722882/>
- October 2016: **Journal News/lohud.com** cut five jobs as part of cost-cutting measures (owned by Gannett): <https://www.lohud.com/story/money/business/2016/10/25/journal-news-layoffs/92731776/>
- September 2016 & September 2017: **North Jersey Media** (owned Gannett) group cut 130 newsroom jobs: https://www.nj.com/bergen/2016/09/gannett_announces_layoffs_at_the_record_2_month_af.html and then another dozen: <https://nypost.com/2017/09/15/gannett-stages-mini-bloodbath-at-new-jersey-newspapers>
- May 2016: **The Albany Times Union** offered 30 employees buyouts and laid off three, citing a decline of interest in print news and advertising revenue (owned by Hearst): <https://www.albany.com/news-archive/tu-buyouts/>
- January 2016: **Metroland** in Albany shut down due to “financial troubles” (owned by Lou Communications): <https://www.timesunion.com/tuplus-local/article/Albany-s-alternative-weekly-Metroland-nostalgic-6738870.php>
- November 2015: **Tribune** announced plans to cut 7 percent of jobs: <https://www.seattletimes.com/business/owner-of-la-times-chicago-tribune-expects-to-cut-jobs-7-pct/>

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- September 2014: **The Los Angeles Register** newspaper shut down (owned by Freedom Communications): <https://www.dailynews.com/2014/09/23/los-angeles-register-newspaper-ends-publication/>
- May 2014: The **Medina Journal-Register** shut down citing dwindling circulation numbers (owned by Community Newspaper Holdings): <https://www.bizjournals.com/buffalo/news/2014/05/30/medina-journal-register-shuts-down.html>
- November 2013: **Tribune** announced plans to cut 700 jobs: <https://www.nbcnewyork.com/news/national-international/natl-700-job-cuts-tribune-company-los-angeles-la-times-chicago-tribune/2071610/>
- November 2013: The **Messenger Post** laid off journalists at Monroe County weeklies representing “virtually the totality of the newsgathering operation” (owned by Gannett): <https://www.democratandchronicle.com/story/news/local/2013/11/15/messenger-post-lays-off-journalists-at-monroe-county-weeklies/3580283/>
- May 2013: **New York Post** offered voluntary buyouts aiming to reduce its headcount by 10 percent (owned by NewsCorp): <https://www.politico.com/media/story/2013/05/new-york-post-offers-buyouts-seeks-10-percent-staff-reduction-in-attempt-to-avoid-layoffs-001082>
- November 2012: **The Post-Standard** of Syracuse laid off 115 employees due to “combining print and online operations” (owned by Advance Publications): <https://www.cnn.com/id/100131341>
- June 2009: The **New York Observer** laid off a third of its editorial staff and later in 2016 ended its print edition (previously owned by Jared Kushner): <https://www.wwd.com/business-news/media/layoffs-at-new-york-observer-2163517/>
- March 2009: **The Seattle Post-Intelligencer** ends its print edition (owned by Hearst): <https://www.wsj.com/articles/SB123722313512843963>
- February 2009: **The Rocky Mountain News** was shut down (owned by Scripps): <https://dealbook.nytimes.com/2009/02/26/rocky-mountain-news-to-shut-down/>
- September 2008: **The New York Sun** shut down due to financial issues (owned by One SL LCC): <https://www.nysun.com/editorials/the-future-of-the-sun/85129/>
- July 2008: **Tribune** announced plans to cut 80 jobs: <https://www.reuters.com/article/industry-tribune-chicago-dc/chicago-tribune-says-it-will-cut-80-jobs-idUSN0831420720080708>