

United States Senate

WASHINGTON, DC 20510

April 11, 2019

R. Joseph Fuchs
Chairman, Board of Directors
MNG Enterprises, Inc.
101 W. Colfax Avenue
Denver, CO 80202

Dear Mr. Fuchs:

I write with respect to your response to my February 21st letter requesting information on your efforts to acquire Gannett Co., Inc (Gannett).

In my letter, I raised concerns regarding the potential acquisition of Gannett given Alden Global Capital and MNG Enterprises, Inc.'s (MNG) history of acquiring newspapers, cutting staff, and then selling off real estate and other assets to generate a profit. I wrote that fuller disclosure on how the acquisition would impact the viability of free press was in the public interest because our democracy depends on continued support for the First Amendment. I also wrote that seeking fuller disclosure on how the acquisition would influence employment and competition in my state was critical as a legislator representing thousands of constituents who would be impacted.

As a result, I am troubled that your response did not fully answer several outstanding questions that I posed, including how you would invest proceeds from potential sales of Gannett's real estate assets, if you would make commitments regarding newsroom staffing, and how you would address potential regulatory concerns.

In your response, you declined to provide any specific assurances that the profits from any "rightsizing" would not be diverted to non-journalistic priorities but rather be reinvested in Gannett's newspapers to continue providing high-quality local news coverage. You also declined to make specific commitments to maintain newsroom staffing or provide specific details regarding how MNG would address potential regulatory concerns, including those related to antitrust and pensions.

Although MNG stated it has reviewed pension and antitrust issues, its underlying analysis of how potential regulatory concerns would be addressed or mitigated has not been made available. Given this lack of fuller disclosure, I remain concerned that MNG still has not publicly provided more details regarding the proposed acquisition. Accordingly, I am writing to the Department of Justice and the Pension Benefit Guarantee Corporation seeking additional information to better understand the regulatory concerns that may be raised. Copies of these letters are enclosed.

In smaller and mid-sized cities, local newspapers have been the glue that has helped to hold those communities together. As bigger companies and community banks have become less prevalent, these newspapers remain even more vital—beyond just the profits and losses that they might make. While a fractured media landscape and rapidly changing technology continue to challenge the industry, I remain concerned that the newspapers that may be impacted by this potential acquisition—including the ones serving smaller to mid-size cities in my state of New York—will face devastating cuts by an indifferent media conglomerate that is backed by an even more indifferent hedge fund seeking to generate a profit.

Sincerely,



Charles E. Schumer
U.S. Senator

Enclosures

CC: Heath Freeman
President
Alden Global Capital LLC

United States Senate

WASHINGTON, DC 20510

April 11, 2019

The Honorable Makan Delrahim
Assistant Attorney General
Antitrust Division
United States Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

Dear Assistant Attorney General Delrahim:

I write to request information regarding the impact Alden Global Capital (Alden Global) and MNG Enterprises, Inc.'s (MNG), which does business as Digital First Media, proposed acquisition of Gannett Co., Inc. (Gannett) may have on competition and concentration in the newspaper industry.

As you are likely aware, MNG recently announced an unsolicited bid to acquire Gannett, the nation's largest chain of daily newspapers that – in addition to *USA Today* – publishes several important newspapers serving smaller to mid-size cities in my state of New York. Public reports indicate that Alden Global has frequently pursued a strategy of acquiring newspapers, significantly reducing staff, and in several instances, then selling off the real estate assets of newsrooms and printing presses to generate a profit.

Since Alden Global and MNG took control of Digital First Media, executives have also eliminated numerous staff positions in many of its media properties, reportedly resulting in more than 1,000 lost jobs. While the acquisition and “streamlining” of Gannett newspapers might increase short-term profits for Alden Global and MNG, the long-term impact of liquidating these newspapers would be incalculable to my constituents. I am also concerned that reduced competition and increased concentration may harm the communities currently served by Gannett.

On February 21, 2019, I wrote to Alden Global's President, Heath Freeman, expressing concerns that Alden Global and MNG has been unwilling to publicly provide relevant details regarding the proposed acquisition. In particular, I raised questions and asked for answers regarding how MNG would potential antitrust issues that may be raised by regulators like the Department of Justice.

Given the significant public interest in how this proposed acquisition would influence employment and competition in my state and the viability of a free press, I remain concerned MNG has not yet provided fuller disclosure. Although MNG has stated that regulatory approval of antitrust issues would not be an impediment to closing the acquisition and that they would

work with regulators to address any concerns, MNG's accounting of these potential regulatory issues and its detailed analysis of how such issues would be addressed or mitigated have not been made available yet to the public.

To better understand the potential regulatory concerns that may be raised by this acquisition and how your office may be guided by current statutory requirements, I request that the Department provide my office details on how it reviews acquisitions that may lessen competition in newspaper markets in ways that may raise antitrust concerns. I also request that the Department provide my office with details on how it analyzes potential overlaps and joint operating agreements, including under the Newspaper Preservation Act, and enforces prohibitions on interlocking directorates for competing corporations.

Thank you for your assistance with this matter. Should you have any questions or concerns, please contact my staff at 202-224-6542.

Sincerely,

A handwritten signature in blue ink, reading "Charles E. Schumer". The signature is fluid and cursive, with the first name "Charles" and last name "Schumer" clearly legible.

Charles E. Schumer
United States Senator

United States Senate

WASHINGTON, DC 20510

April 11, 2019

The Honorable W. Thomas Reeder
Director
Pension Benefit Guaranty Corporation
1200 K St NW
Washington, DC 20005

Dear Director Reeder:

I write to request information regarding the impact Alden Global Capital (Alden Global) and MNG Enterprises, Inc.'s (MNG), which does business as Digital First Media, proposed acquisition of Gannett Co., Inc. (Gannett) would have on the pension plans sponsored by these companies or their controlled group members.

As you are likely aware, MNG recently announced an unsolicited bid to acquire Gannett, the nation's largest chain of daily newspapers that – in addition to *USA Today* – publishes several important newspapers serving smaller to mid-size cities in my state of New York. Public reports indicate that Alden Global has frequently pursued a strategy of acquiring newspapers, significantly reducing staff, and in several instances, then selling off the real estate assets of newsrooms and printing presses to generate a profit.

Since Alden Global and MNG took control of Digital First Media, executives have also eliminated numerous staff positions in many of its media properties, reportedly resulting in more than 1,000 lost jobs. While the acquisition and "streamlining" of Gannett newspapers might increase short-term profits for Alden Global and MNG, the long-term impact of liquidating these newspapers would be incalculable to my constituents.

On February 21, 2019, I wrote to Alden Global's President, Heath Freeman, expressing concerns that MNG has been unwilling to publicly provide relevant details regarding the proposed acquisition. In particular, I raised questions and asked for answers regarding how MNG would address potential pension liability issues that may be raised by regulators like Pension Benefit Guaranty Corporation (PBGC). I am also aware that in 2015, the PBGC entered into an "Early Warning Program" agreement with Gannett as part of a spin-off transaction which created separate, publicly-traded companies for its broadcasting and publishing assets.

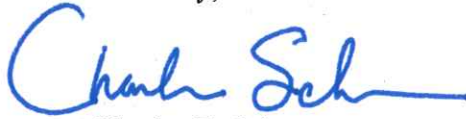
Given the significant public interest in how this proposed acquisition would influence employment and competition in my state and the viability of a free press, I remain concerned MNG has not yet provided fuller disclosure. Although MNG has stated regulatory approval of pension-related issues would not be an impediment to closing the acquisition, MNG's accounting

of these potential regulatory issues and its detailed analysis of how such issues could be addressed or mitigated have not been made available to the public.

To better understand the potential regulatory concerns that may be raised by this acquisition and how your office may be guided by current statutory requirements, I request that the PBGC provide my office with general information regarding its Risk Mitigation and Early Warning Program, including policies in place to review corporate transactions that may pose an increased risk to pension plans. I also request that PBGC provide my office with technical assistance regarding pension liabilities in PBGC-insured single-employer pension plans sponsored by Alden Global, MNG, Gannett, and any members of their respective controlled groups. Details regarding this request are included in an appendix enclosed with this letter.

Thank you for your assistance with this matter. Should you have any questions or concerns, please contact my staff at 202-224-6542.

Sincerely,

A handwritten signature in blue ink, appearing to read "Charles E. Schumer". The signature is fluid and cursive, with a large initial "C" and "S".

Charles E. Schumer
United States Senator

Enclosure

Appendix

This letter serves as a request to the Pension Benefit Guaranty Corporation (PBGC) to provide the office of Senator Schumer with technical assistance regarding pension liabilities in PBGC-insured single-employer pension plans sponsored by Alden Global, MNG, Gannett, and any members of their respective controlled groups.

For each such plan that PBGC is aware of, please provide the following information: plan sponsor name (and EIN/PIN), plan name, the value of the plan assets, the amount of plan liabilities, current underfunding, and annual contributions (Form 5500 data), and the number of participants in the plan, including a breakout of the participant count by active participants, terminated vested participants, and retirees in pay status. In addition, if PBGC has information confirming that any of these companies contributes more than 5 percent of total contributions to a multiemployer pension plan, please provide that information, including the name of the multiemployer pension plan, as well.