

# United States Senate

WASHINGTON, DC 20510

April 12, 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 that reads "Charles Sch". The signature is stylized and appears to be a first-name basis or a shortened version of the full name.

Charles E. Schumer  
United States Senator