

United States Senate

WASHINGTON, DC 20510

April 12, 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.

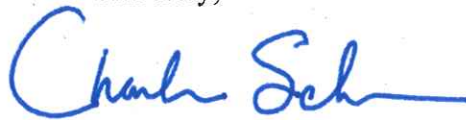
Given the significant public interest in how this proposed acquisition would influence employment and competition in my state and the viability of a free press, I remain concerned MNG has not yet provided fuller disclosure. Although MNG has stated regulatory approval of pension-related issues would not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



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.