

CWA

Sector News

Printing
Publishing
and Media
Workers

SECTOR TROUBLE SPOTS

Sun-Times Media Files for Bankruptcy

It was inevitable. After years of floundering to keep the company afloat, management of the Sun-Times Media Group, parent corporation of the Chicago Sun-Times and some 60 smaller newspapers, filed for bankruptcy on March 31, 2009.

Eight unions representing nearly 1,000 workers at six Sun-Times newspapers were scheduled to meet with company executives as this edition goes to press to discuss management demands for a 15% across-the-board cut and five days of furloughs to be taken within 60 days.

Earlier, negotiators for the Mailers had tentatively agreed on a concession package that would have yielded 5% wage cuts, although the company was demanding 7%. Pressmen and Drivers had negotiated similar tentative agreements, but none of those deals were ratified by union members because Sun-Times stockholders ousted the management that had negotiated them in the interim.

Five other Sun-Times units—the Guild, Platemakers, Machinists, Electricians and Printers had not reached agreement.

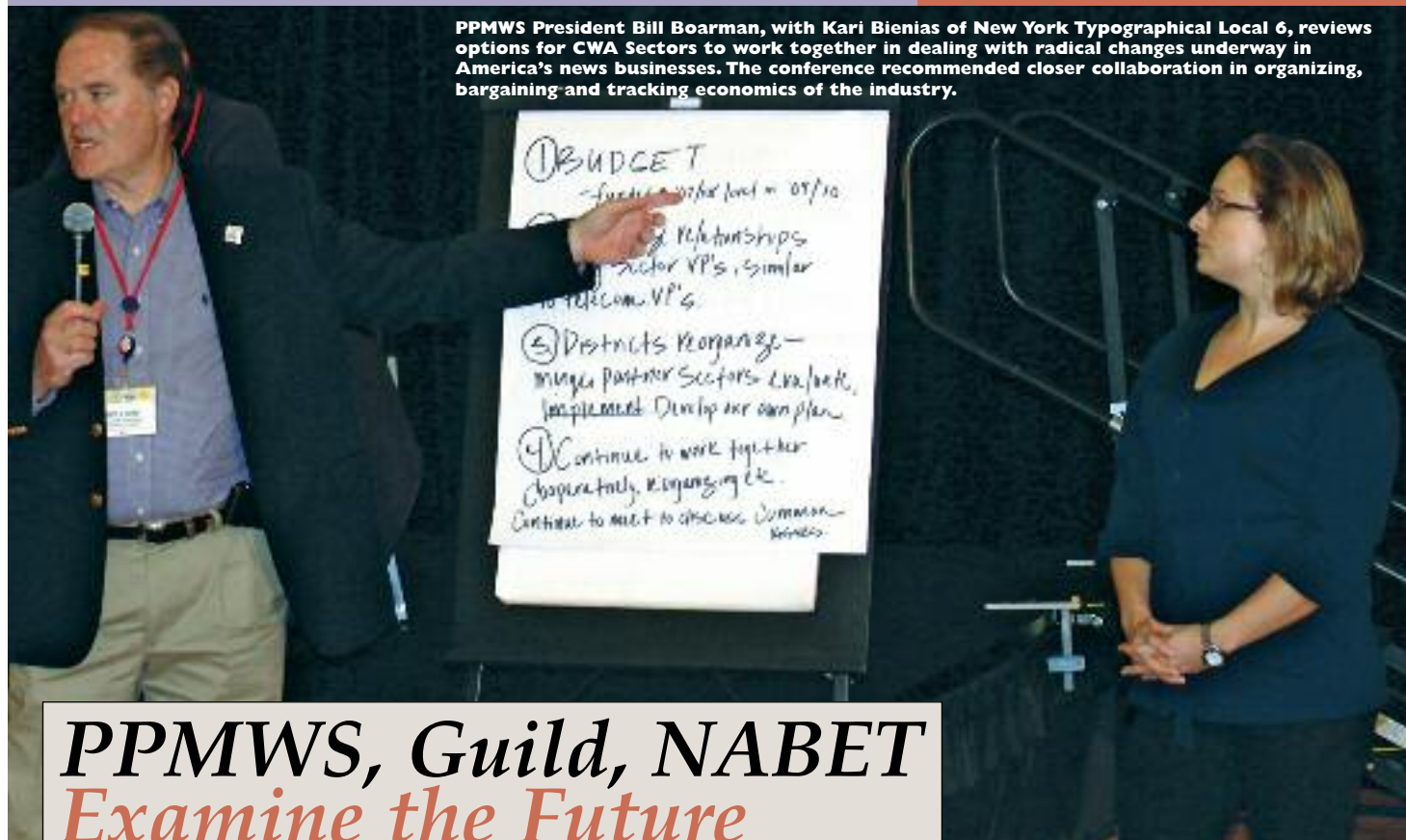
Company executives say that they will continue to publish the Chicago Sun-Times

One bright spot, Sun-Times stock rose 25%—from 3 cents a share to 4 cents just days before the parent company declared bankruptcy.

Although readership losses and advertising declines have been a plague throughout the newspaper industry, the biggest financial headache for the Sun-Times is a lingering debt to the Internal Revenue Service, estimated at \$610 million. The huge tax liability is a hangover from the period when former owner Conrad Black and his associates looted the company. Black and his assistant, David Radler, illegally enriched themselves with millions from the company's coffers. Both were sent to jail. Radler has since made some \$62.5 million in restitution, and a civil suit is still pending in an effort to recover money from Black and others.

"There are really no other debts," said Mailers Local M-2 President Bob Maida.

The Mailers are the largest bargaining unit within the Sun-Times group. Maida said the company is "burning through around \$1.5 million a week while the IRS liability continues to grow as a p.6D▶



PPMWS President Bill Boarman, with Kari Bienias of New York Typographical Local 6, reviews options for CWA Sectors to work together in dealing with radical changes underway in America's news businesses. The conference recommended closer collaboration in organizing, bargaining and tracking economics of the industry.

PPMWS, Guild, NABET Examine the Future

CAN 'NEW MEDIA' SUSTAIN TRADITIONAL NEWS BUSINESS?

WHERE ARE JOBS FOR PRINTERS, JOURNALISTS, BROADCASTERS?

In early January, CWA's three media sectors—PPMWS, the Guild and NABET—came together to discuss the Future of the Media Industry, a first-ever joint effort to develop coordinated strategies to protect jobs, wages and spur organizing.

PPMWS President Bill Boarman

opened the session noting that the U.S. economic collapse combined with revenue shrinkage in the media has put the lie to the common spin about how much employers value their workers.

"The reality is far different. Corporate leaders are intent on

claiming management control of the work process and they are always open to any suggestion that might help them achieve that goal."

For printers, the clouds have been gathering for nearly a generation, from the time that linotype and hot metal composition began to lose out to computer typesetting. Despite those forces, thousands of printers were able to hold on to jobs through the end of the 20th century p. 6C▶

NPP Trustees Act to Protect Fund In Face of Ongoing Economic Crisis

Trustees for the CWA/ITU Negotiated Pension Plan have directed the NPP to take several actions to keep the plan actuarially sound in the face of continued declines in capital markets. Among the steps announced by the Trustees in a letter to all plan stakeholders dated April 9, 2009, were:

- ▶ A change in the calculation of future benefits payments. Beginning with contributions made on May 1, 2009, benefit payments will be calculated on the basis of 1.0%, down from the previous rate of 2.5%. The Trustees stressed that his move does not affect any benefit calculations on contribu-

tions made prior to May 1, 2009, nor does it affect any pensions currently being paid.

- ▶ As of May 1, 2009, the NPP will no longer pay withdrawal benefits, lump sum disability benefits, or certain lump sum death benefits.

- ▶ Disability award pension payments will not be paid to participants who have been awarded a Social Security Disability pension with a date of entitlement on or after May 1, 2009. However vested participants who have been awarded Social Security disability benefits, could be eligible for an early pension even if they lack the 20 years of service p. 6B▶

NPP Trustees Take Actions to Keep Fund Strong

credit normally required for an early pension.

These and other administrative changes in the Fund are expected to produce \$17.9 million in savings in the current year, and annual savings of \$10.2 million thereafter.

All NPP participants and contributing employers will receive a package of materials explaining the changes in detail, along with an Annual Funding Notice and a report on projections for the Fund for January 1, 2009 and beyond.

As of the end of 2008, the worldwide recession had destroyed more than \$5 trillion in wealth held by pension funds and individuals invested in 401(k)s and similar savings plans. About half that total was lost in the U.S. CALPERS, the California state retirement plan, the largest in the nation, lost \$74 billion in 2008.

Looking at the global costs helps put the picture for the CWA/ITU Negotiated Pension Plan into perspective. Trustees for the NPP, in a series of recent meetings, have been

monitoring the effects of the dramatic declines in capital markets on the fund's bottom line. The April 9 letter to all stakeholders in the plan—retirees, beneficiaries, working members and employers currently contributing to the plan and others—noted that the NPP “has not

For further information, see the Summary Plan Description on the Plan's website at www.cwaitu.com

been spared as its investments had an overall negative return of -26% for the year.”

The NPP's declines have not been as dramatic as those of many leading indexes—S&P is down 37% for the year, and it dropped another 18% through February 2009, for instance. Despite a strongly disciplined investment philosophy, the Trustees pointed out, diversification has not adequately shielded the fund against the current economic firestorm.

The changes in benefits and policies directed by the Trustees are designed to protect the Fund in calendar year 2009. The Trustees stressed that the reduction in future benefit calculations will not affect pensions based on contributions prior to May 1, 2009.

Other changes will also affect disability retirements and lump sum benefits after May 1, 2009.

For further information, the Summary Plan Description on the Plan's website at www.cwaitu.com has been revised for these benefit changes. Or you can contact the Plan Office at 831 S. Nevada Ave., Ste. 120, Colorado Springs, CO 80903 or (719) 473-3862.



MARTIN DILLON STEPPING DOWN Martin Dillon, a 24-year member of the CWA/ITU Negotiated Pension Plan, has stepped down from the Plan's Board of Trustees. The departure of Dillon, who has served as the Board's secretary for the past 11 years, puts the Board back into balance—with three employer members and three union representatives. Trustees voted to pare the numbers back to six as part of the NPP's overall cost cutting plan. Dillon was honored with the PPMWS Julius Briskie award in 2001.

LABELFLASH

Uncle Sam
wants you
to buy
American!

Be an Economic Patriot

**Your Government is Pledged To
"Buy American"**

You Can Do the Same!

With unemployment continuing to grow, everybody is watching their spending. But, don't be penny-wise and pound foolish. If and when you buy anything, look for union-made-in-the-USA. It's the patriotic thing to do.



News Business Flounders in Sea of Red Ink Stakeholders Search for New Models

What do bankers, brokers, auto makers and homeowners have in common? They're all in line for billions of dollars in bail out money from the federal government, but not the news business.

Until recently, no one outside the news industry seemed to think it's worth saving. The thousands of non-union workers who have already lost their jobs...or soon will...or could...are virtually on their own. The pay cuts, furloughs and other contract concessions confronting union members in the news media are painful medicine and may not be the last "sacrifices" these workers and their families will have to swallow.

In late March, Sen. Ben Cardin (D-MD) made the first congressional move to address the problem with a bill that would allow alternative ownership for newspapers, specifically

as tax-exempt non-profits. Papers that adopt that form of ownership would be prohibited from making political endorsements, but would not be otherwise constrained. House Speaker Nancy Pelosi has requested that the Justice Department review its anti-trust regulations as they relate to newspaper Joint Operating Agreements and Attorney General Eric Holder agreed to look into it.

In an article in The Nation magazine, Robert McCheseny and John Nichols propose a multi-part journalism economic stimulus package. They call for all Americans to receive an annual tax credit for the first \$200 they spend on daily newspapers; free postage for many periodicals; government funding for high school and college journalism projects; and a large expansion of funding for public and community broadcasting.

Psst! Wanna Buy a Newspaper?

The Guild Reporter recently pointed out that as of January 30, 2009, the value of the entire newspaper industry is less than the total debt carried by the now bankrupt Tribune Company. "[T]heoretically, you could own 264 U.S. dailies for less than \$1.4 billion; add another \$715 million, for a total of \$2.1 billion, and you could own the New York Times empire. It was just three years ago that McClatchy shelled out \$4.5 billion for the Knight Ridder chain of 32 dailies, then turned around and unloaded eight of its new acquisitions for...\$2.1 billion."



PPMWS, Guild, NABET Examine the Future



CWA President Larry Cohen issued a passionate call for passage of the Employee Free Choice Act. News industry employers, he said, believe in freedom of speech for everyone except workers on the job. Leaders of media sectors within CWA participating in the conference included NABET Executive Vice President Jim Joyce (left), PPMWS President Bill Boarman (second from left) and Guild President Bernie Lunzer (right).

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thanks to job guarantees written into collective bargaining agreements in the 60s and 70s.

Boarman reminded conference attendees that those agreements were won only after a series of bitter strikes.

Predicting even “more jolts around the corner,” Boarman called for greater cooperation among CWA’s three sectors in the media industry, returning to the union solidarity both in bargaining and in organizing that once was the hallmark of the publishing industry, and greater and more innovative use of pension power to redirect corporate behavior.

Guild President Bernie Lunzer pointed out that reporters, editors and commercial personnel in newspapers represented by the Guild have endured pretty much the same pressures as those faced by PPMWS, along with huge competitive challenges for readers by unprinted media such as blogs and websites.

In ten years there will be some kind of media industry. We just don’t have a clue as to what it’s going to look like,” Lunzer told the conference.

From the perspective of broadcasting, NABET Executive Vice President Jim Joyce described a



Sector Representative Linda Morris-Cooley represented PPMWS in a panel discussion on crisis bargaining in newspaper industry. “Today, bargaining is always a crisis. Nothing is normal,” Morris-Cooley said.

“Today, bargaining is always a crisis. Nothing is normal,”

—Morris-Cooley

similar economic chaos. “Companies are turning to daily hires...They have created duopolies...They are using combined operating agreements. There is a continuing convergence and consolidation of jobs,” all of which is “destabilizing the workforce.”

CWA President Larry Cohen put an exclamation point on the meeting with an energetic call for passage of the Employee Free Choice Act. He decried employer attempts to derail the bill with dire predictions of the “death of American democracy as we know it.”

“What they are really saying,” Cohen charged, “is that they can’t

tolerate workers rights, contract bargaining or free speech for anyone but themselves.” No one can be a spectator in this battle, he said. “You can’t wait. You can’t watch, because the ax is swinging for everyone.”

“No one can be a spectator in this battle . . . the ax is swinging for everyone.”

—Larry Cohen

they operate in order to survive and succeed.

Driving home the urgency of the situation, Ken Doctor, a former executive with Knight Ridder, predicted that the giants in the news business of the future will be “content providers.” Several big companies—he called them the “digital dozen”—including the New York Times, AP, Reuters and Agence France Presse—have been moving in that direction for some time.

Robert Kuttner, columnist, economist and editor of the American Prospect, expressed a mixed view of the Obama administration’s approach to repairing the U.S. economy. He applauded Obama and Vice President Joe Biden’s prominent support for unions and calls for a more vigorous labor movement to restore the U.S. middle class. At the same time, Kuttner said, he was pessimistic that many of Obama’s appointments to key administration jobs are tied too closely to Wall Street and the financial establishment.

Among the consensus recommendations that emerged from the session were plans by all three sectors to work more closely together in bargaining and organizing, more aggressive research into alternative ownership models for daily newspapers and to create a media organizing institute, a website and marketing plans. **EN**

The media’s problems were dissected from several angles, with analyses from Chris Benner, a Penn State professor who suggests that organized labor can focus local power to effect change in communities, but unions will have to accept radical change in how

Retirements:

AL RUDY
Administrative
Assistant to the
President



Albert E. Rudy, assistant to the Sector president, closed out a 45-year career when he retired at the end of 2008. Rudy went to work in the industry in 1963 at Arnold’s Binding in Reading, Pennsylvania, joining Reading Mailers Local M-87.

He was elected president of the Local the following year. While president of his local, he was elected as a delegate to nine ITU conventions.

Rudy also served as an officer in the Penn-Del Typographical Conference and the Reading Labor Council.

Rudy was appointed an organizer and assigned to the ITU Colorado Springs headquarters in 1973. During that time, Rudy worked to bring in a 400-member independent union of printers and bindery workers at Mack Printing in Easton, PA. He was also instrumental in merging the independent union at New Era Cap, which brought in 300 new members. He worked to bring an independent union in Phillipsburg, N.J. into the Sector, and spearheaded successful organizing campaigns in Champaign, IL, Des Moines, IA, Evelyth, MN, Parkersburg, WV, Augusta, ME, Ft. Wayne, IN; Johnstown, Bradford and York, PA; and Bloomington, IL.

He became an ITU staff representative in 1975.

Following the 1987 ITU merger with CWA, Rudy continued work as a field representative until 1995 when he was designated administrative assistant to the president. In 1999, with the retirement of Dave Gray, Rudy was promoted to the post of assistant to the president.

Rudy will continue to serve as Secretary-Treasurer of the Union Printers Home in Colorado Springs.

Rudy and his wife, Janet, are planning to return to their Reading hometown. The couple has one son, Tim, who is a Commander in the U.S. Navy. **SN**



LEE THOMPSON
Administrative
Secretary

After 36 years with the ITU and the Printing Sector, Lee Thompson retired, effective April 1, 2009. She has been the Sector’s administrative secretary for the past 10 years. A native of Vallejo, California, she joined the ITU clerical staff in 1973. Thompson began her career with Blue Cross/ Blue Shield, taking time off to raise a family before returning to the workforce. As administrative secretary, she was responsible for working directly with local officers, assisting with conference preparations and handling correspondence. **SN**

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Trouble Spots

result of interest and penalties." Some of the pressure forcing the bankruptcy decision came as the company sought protection against lawyers for management personnel who claimed the Sun-Times should pick up their legal fees.

Company executives say that they will continue to publish the Chicago Sun-Times and operate its other subsidiaries normally. "But, what's normal," Maida asked. "When I see this happen to a company that I have given 43 years of my life to, it hurts a lot. I know a lot of members who have been here a long time feel the same way."

Maida said union members want answers from the company. "We negotiated a collective bargaining agreement with considerable concessions just before the company shook up its entire management structure. We had to hold back on scheduling a ratification vote to see if the company's new management team was going to honor the agreements their predecessors negotiated."

He pointed out that the tentative agreement protected pay rates for the lowest-wage Mailers. "Everybody making less than \$11 an hour was protected. Now, the company says they want the 15% cuts from everybody, but that could put our lowest-wage folks below Chicago's prevailing wage ordinance," he said.

Furthermore, according to Chicago Typographical Union 16 President Steve Berman, Sun-Times management says that it does not intend to honor severance-buyout deals made prior to the bankruptcy declaration. Twelve of 18 of the Printers at the Sun-Times, and most of those at other Sun-Times papers represented by CTU have already collected their severance and buyout packages, he said.

Ironically, Maida said, Mailers have been busier since the first of the year than in any time in recent memory. "They recently consolidated production for five Illinois community papers to be printed in the Chicago plant. They're folding some community papers. Although the consolidation has bolstered work in the Chicago plant for now, Maida said, "We're experiencing virtually forced overtime to get those jobs out. Some members are working three shifts in a row."

Since the beginning of 2009, negotiators for PPMWS units have been dousing fires and dealing with crisis bargaining to protect jobs against persistent threats. Here's a short list of other hot spots among Sector newspaper employers:

► **Denver News Agency** (Denver Post & Rocky Mountain News): Printers and mailers have ratified an interim agreement that constitutes an 11.7% reduction, calling for salary reductions averaging 7%, suspension of the company's 401(k) match,

and increased health care and dental premiums. Meanwhile, the Rocky Mountain News, which has been operating under a joint operating agreement with the Denver Post, has been shut down.

► **Detroit News Co.** (Detroit News & Free Press): The Free Press has cut home delivery to just three days a week; the Detroit News is on a two-day home delivery schedule. Facing the threat of layoffs, the Sector unit has been in negotiations since early in the year on an expired agreement. The company is demanding wage freezes and an offer for buyouts. Gannett—the parent firm, has imposed 10 days of furloughs on non-union personnel throughout the chain. These furloughs do not apply to the union-represented personnel in Detroit.

► **Philadelphia Inquirer & Daily News:** Bankrupt. Media observers predict that the Daily News will fold or continue to operate as part of Philly.com, a web news operation.

► **Pittsburgh Post-Gazette:** Both Mailers represented by PPMWS Mailers Local M-22, and Printers represented by PPMWS Local 7 in Pittsburgh have contracts good through 2010, but, according to Local 7 President Don McConnell, the Pittsburgh Newspaper Unity Council recently conducted a confidential audit of the company's books. "All I can say is that the Post-Gazette's books look just like every

other newspaper's books...Bad. The Post-Gazette recently laid off close to 80 union positions—15 from the Printers unit. All non-union employees are facing a one-week furlough that must be taken by June 2009.

► **Wall Street Journal, Naperville, IL:** Closed its printing plant, laid off six Mailers—four full-timers, two subs. Drivers and some 15 pressmen were also laid off.

► **San Francisco Chronicle:** The California Media Workers Guild agreed to terms on a concessionary contract that could result in as many as 150 layoffs, cuts in wages, pensions, vacation time and sick leave and expansion of employer rights for outsourcing and work assignments.

► **Seattle PI:** Ended its print operation to become a web-only news product.

► **Sheboygan (WI) Press:** The publisher has consolidated ad production for Sheboygan and four other community newspapers to Green Bay. PPMWS-represented workers there negotiated a severance package in lieu of transferring to Green Bay.

► **Journal Register Co., Macomb Daily:** The Journal Register is in bankruptcy. It issued a call in late March to all pressmen, PPMWS and the Guild to discuss contract concessions. **SN**

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St. Louis Post-Dispatch Pre-Press Workers Win Trade Adjustment Assistance

Eleven pre-press workers—most of them over age 50—have been certified to receive trade adjustment assistance, more than two years after they lost their jobs when Lee Enterprises, publisher of the St. Louis Post-Dispatch, moved ad preparation work from St. Louis to KCS Enterprises in Mumbai, India.

The allowances include up to 104 weeks of approved training, 52 weeks of additional unemployment benefits, some allowances for job search beyond the normal commuting area of an individual and some relocation cost reimbursement.

CWA Local 6300, which in 1971 represented 700 workers at the paper, is now down to eight members at the Post-Dispatch. **SN**

Bailout Recipients Hosted Call To Defeat Key Labor Bill

Three days after receiving \$25 billion in federal bailout funds, Bank of America Corp. hosted a conference call with conservative activists and business officials to organize opposition to the U.S. labor community's top legislative priority.

Participants on the October 17 call—including at least one representative from

another bailout recipient, AIG—were urged to persuade their clients to send "large contributions" to groups working against the Employee Free Choice Act (EFCA), as well as to vulnerable Senate Republicans, who could help block passage of the bill.

Home Depot co-founder Bernie Marcus led the call along with Rick Berman, an aggressive EFCA opponent and founder of the Center for Union Facts. Over the course of an hour, the two framed the legislation as an existential threat to American capitalism, or worse.

"This is the demise of a civilization," said

Marcus. "This is how a civilization disappears. I am sitting here as an elder statesman and I'm watching this happen and I don't believe it."

Berman claims to control a \$250 million war chest to buy ads and orchestrate a media attack against card check legislation. The AFL-CIO and others have asked Congress, the White House and federal law enforcement agencies to investigate Berman's activities, especially to see if he is violating IRS laws with his tax exempt, so-called "educational foundations" that attack unions. **SN**

OBITUARY

Jim Cesnik, Former Guild Reporter Editor Also Did a Stint With Sector News

Jim Cesnik, a veteran journalist and union activist, died February 27, 2009 after a long siege with heart disease. He was 72.

Cesnik began his newspaper career in 1958 when he joined the Minneapolis Tribune. He served as president of the Minnesota Newspaper Guild before he was tapped in 1965 to serve on the Washington Staff. He was appointed to edit the *Guild Reporter* in 1973 and remained in that capacity for 20 years—the longest tenure in that post in the union's history—until his 1993 retirement.

Cesnik continued to work in the labor movement, as editor of the *Sector News* and for the AFL-CIO Union Label *Label Letter* after his retirement until ill health forced him to retire again in 2001. He is survived by his wife, Barbara Nelson. **SN**

