

TO OUR READERS:

During the last year, The Seattle Times' leadership has been busy working to fend off a serious threat to preservation of The Times as an independent newspaper accountable to the community it serves. While there has been some press coverage, generally this has been a relatively low profile dispute. Many of you may not be aware of what is at stake for this community and, from a larger perspective, what this dispute means in the battle to preserve independent ownership of media rather than having it consolidated into the hands of three or four powerful corporations in America. You have a right to know.

Media Concentration is a Threat

We passionately believe in the value of independent newspapers as a source for original and credible news and information. We share the growing concern that concentration of media ownership is a threat for our country and its values. That's why the battle being waged here against The Seattle Times by The Hearst Corporation, the media conglomerate that owns the P-I, is so important – important to our community and to efforts to halt the media concentration trend across the country.

Today, fewer than 20 percent of America's daily newspapers remain independent – only a handful of them in large cities. Seattle is fortunate to lay claim to one, the fiercely independent Seattle Times, but for how long? The Times finds itself in a fight for survival with Hearst, one of the world's most aggressive and powerful media companies. The outcome of this dispute will determine if independent journalism can survive in Seattle.

Hearst has a history of squeezing out the competition and becoming the absentee owner of the only daily newspaper. It did it in San Francisco, San Antonio and Houston, and now that's what it's trying to do in Seattle.

Our Economic Challenges Increase the Threat Here

The Hearst strategy of dominance takes advantage of negative economic conditions. The Puget Sound region has fallen victim to a major recession with the loss of more than 80,000 manufacturing jobs. These jobs will not come back any time soon. Our economy was hit harder in the wake of 9/11 than any city other than New York. The Seattle Times has been hurt by the changed economy just like many other businesses in the region. Our paper has lost money for each of the last four years and we see more years of losses ahead.

More than 20 years ago, The Seattle Times and Hearst entered into a joint operating agreement (JOA) after Hearst declared that the P-I was a failing newspaper. It is a very detailed agreement that essentially allows The Seattle Times and the P-I to combine certain non-news operations to save costs. For 20 years the JOA worked to the benefit of the community and both newspapers. But when the economy structurally changed and losses began to mount, it became clear that if we were going to preserve The Seattle Times as a locally owned newspaper, there needed to be changes in the JOA contract.

We first tried to negotiate with Hearst to modify the JOA. After months of efforts with no progress, we reluctantly told Hearst we would invoke a "stop loss" clause in the JOA contract. This provision, agreed to by both The Times and Hearst, could end the agreement. We hoped this action would lead to serious negotiation on the part of Hearst. However, before we could send that notice, Hearst sued The Seattle Times as part of its strategy to become owner of a single Seattle newspaper.

Hearst is Determined to Kill Independent Journalism in Seattle

The courts have the future of independent journalism in Seattle in their hands for the moment. The State Court of Appeals unanimously ruled in favor of The Seattle Times, but Hearst officials have made it clear to us that either The Times capitulate or they will litigate us into ruin.

One thing Hearst has not counted on here in Seattle is just how fiercely committed we are to independent journalism. The Blethen family could have sold The Times years ago to a media giant like Hearst for more money than we could spend in several lifetimes. But for us, this is not about money. It is about our responsibility to the First Amendment and the tradition of a free press responsive to the communities in which we reside.

Despite the Power and Wealth of Hearst, We Will Not Capitulate

We will do all we can to make sure Hearst will not end independent journalism in Seattle. We are unified in our resolve. We are selling real estate to provide cash to minimize additional cutbacks at The Times, especially in our news staff and content.

We believe public service through independent, quality journalism is a principle worth fighting for. If Hearst wins, it will surely do as it has done elsewhere and drain this community by slashing the news staff, increasing advertising rates and siphoning off profits to its New York headquarters.

We are committed to trying to keep that from happening. In the end, you the readers may well have the most at stake. If you would like to comment, please contact us at mycomments@seattletimes.com or write to us at P.O. Box 70, Seattle, WA 98111.

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The Seattle Times

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