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Press-Telegram Newsroom Staff Slashed, Half Moved To Torrance



At left, the Press-Telegram headquarters at 6th Street and Pine Avenue in January 2006. Soon after it was sold to a group with plans to build two towers of condominiums and ground floor space for arts organizations. When the recession hit in late 2007, development plans were put on hold. The newspaper staff leased space at Arco Towers on Ocean Boulevard. At right, the building as it appeared last week, surrounded on the ground floor by recently added "We Love Long Beach" art. (Photographs by the Business Journal's Thomas McConville)

■ By **KEITH HIGGINBOTHAM**
Contributing Writer

State Sen. Alan Lowenthal was disheartened to learn that the most recent round of cuts at the Press-Telegram, which took effect June 27, have left the paper with little more than a skeleton crew of less than 10 reporters to cover a region of more than 750,000 residents, and cities stretching from Long Beach up through Lakewood and Paramount to Norwalk and Downey, and West Orange County.

"We here in the Legislature, at the end of each session, have a small section where we adjourn in the memory of constituents that have passed away," Lowenthal said.

"We are on the verge of adjourning in the memory of the Press-Telegram."

Described by Press-Telegram owners as an effort "to consolidate certain newsroom functions due to efficiency and economy," the cuts eliminated five newsroom staff members, including a

popular and well-respected sports columnist, a city desk editor, a features writer and two photographers.

In addition, the company's moves included the elimination of all the Press-Telegram positions held by photographers and sports writers. The managing editor position and city desk editor positions were also eliminated, as was the position held by the Press-Telegram's lone writer for the features section, Al Rudis.

Two weeks ago, the photographers and sports writers, most with more than a decade of service to the paper, were allowed to reapply and interview for their jobs. However, as management explained, the positions would now be located out of the Torrance Daily Breeze, the P-T sister paper whose publisher, Linda Lindus, is also publisher of the Press-Telegram. Lindus and Press-Telegram Editor/General Manager Sue Schmitt, did not respond to phone requests for comment on this article.

Well-respected sports columnist

Frank Burlison was let go after the interviews, as were photographers Diandra Jay and Steven Georges.

Three photographers, Steve Carr, Jeff Gritchen and Brittany Murray, were rehired as photographers at the Daily Breeze. Sports writers Dave Felton, Bob Keisser, Doug Krikorian, Robert Morales and Dave Werstine, were also rehired to Torrance sports positions.

Two Press-Telegram editors were also informed that their positions were being eliminated but that they could reapply for two new editor positions at the Press-Telegram, albeit at a reduced salary.

John Futch, the paper's managing editor, was rehired to fill the newly created news editor position. The second new editor position was filled by Press-Telegram City Hall reporter Paul Eakins. City desk editor Rose Fitzpatrick, who had reapplied for the second editor position, was not rehired and let go.

The remaining three photographers and five members of the sports

department, now working out of the non-union Torrance paper, also lost their status as members of the Newspaper Guild of America, the union representing the newsroom rank-and-file of the Press-Telegram.

Sports columnists Doug Krikorian and Bob Keisser were also informed that their new positions at Torrance would involve a pay cut. At least one of the three Press-Telegram photographers rehired for a position at Torrance was also informed that the new position was compensated at a lower salary.

The eight Press-Telegram newsroom members that were rehired, began working at the Torrance paper on June 28.

Guild representatives at the Press-Telegram were informed by the company that the intention is for the Long Beach staff now working out of the Torrance paper to continue to cover Long Beach as before, albeit working under management in Torrance.

However, in the days since, at least several of the former Press-Telegram staff now in Torrance have been utilized to cover Torrance assignments for the Daily Breeze, while Daily Breeze photographers have been assigned to cover Long Beach assignments.

“It is just a shell,” Lowenthal said, “The core features of the paper have left. You can cut and cut and cut, but now there is nothing left of the paper. It is just a little office or bureau of the Daily Breeze.”

The Impact On Communities

In the heyday of newspapers, and to some degree even today, national and regional papers like the New York Times and the Los Angeles Times offered a glimpse of the world and the nation. It fell to papers like the Press-Telegram to report on the local news.

In its heyday, the Press-Telegram was a massive newspaper, covering just about everything that was happening in the local community from Little League scores to wedding announcements to City Hall corruption.

At some point in the past 20 years, most notably since the take over of the paper by MediaNews Group (MNG) in 1997, that changed.

“When I was first elected to the Long Beach City Council in 1991, there real-

ly was the concept at the Press-Telegram of investigative reporting,” Lowenthal said.

“The paper had reporters that worked on stories for long periods of time, there was a history, there was in-depth analysis. Now we just get snippets from the paper. Snapshots of events. We don't get that analysis.”

Lowenthal explained that having a watchdog paper certainly had an impact on city leadership.

“We really watched ourselves on the city council because we knew that there were Press-Telegram reporters looking at everything we did. That's all gone. Once the Press-Telegram eliminated its ability to do in-depth analysis and investigative reporting, that was a significant change and our community lost a lot of continuity – insight into how actions today were impacted by actions taken yesterday.”

Lowenthal also said that Long Beach, which in his opinion has always had a strong sense of communal identity, has lost something as a community in the decline of the Press-Telegram.

“People like living in Long Beach – being from Long Beach – and they like having their own newspaper, and the Press-Telegram really did at every level support and reflect that sense of community in Long Beach,” Lowenthal said.

“I think in losing that, we lose some of who we are as a city.”

Being able to connect to your neighbors and what goes on in the city, Lowenthal said, is exactly the kind of thing that the Press-Telegram used to offer.

“Now there are fewer and fewer places where we turn for that sense of connection,” Lowenthal said.

Former Press-Telegram Publisher Ian Lamont, who recently returned to Long Beach after a successful three-year effort to turn around the Valley Signal newspaper in Santa Clarita, said that a vibrant, healthy local media is a key component of any successful community.

“I'm not talking about just newspapers – it also includes television and radio and other outlets – but, unfortunately, Long Beach has none of that now,” Lamont said.

“Long Beach is a very complex city

with a lot going on. Where does someone go now to get news about what is going on at City Hall, or the port, or prep sports, or just their neighborhood?”

Lamont acknowledged that some of this information is available from various online outlets in the city, but he argues that it still does not match what the Press-Telegram used to provide.

In addition to the staffing cuts, a major problem for the Press-Telegram according to Lamont was when the paper shifted from focusing on Long Beach.

“The Press-Telegram got into trouble when it became the Long Beach Press-Telegram that covered 20 different cities,” Lamont said. “And then it stopped doing even that. I honestly believe – I have shown – that a community paper that focuses on the local community can still do very, very well.”

It is worth noting that during his tenure at the Press-Telegram, from 2001 to 2004, Lamont was the only publisher since the 1997 MNG takeover to substantially increase daily circulation for any length of time.

Gary Scott, a former MNG reporter who now works in public radio and has for many years maintained his Reporter-G blog that tracks the local newspaper industry, said that MNG appears to be reactive to economic issues and not proactive.

“I'm not sure that [MNG is] making these decision strategically because they think that they know where things are headed,” Scott said.

“I think that they are making decisions based upon numbers that have come out and they are just trying to catch up just to stay afloat.”

Scott also said that MNG needs to redefine its mission.

“Everyone knows that there are likely to be layoffs in these newsrooms and you are going to have fewer resources to do what they need to do, until the magic formula is found to turn around the industry,” Scott said. “If you have a mission that you care and you talk about the newsrooms in a way that makes these people who are bosses think twice about who they cut and why, then I think people would be more understanding of these types of cuts. [MNG] may or may not be, but it cer-

tainly feels like they are not committed to these newsrooms. Redefining their mission might even lead to different decisions being made altogether.”

A Long Legacy

The Long Beach Press-Telegram can trace its history back to 1887, when it was known simply as the Long Beach Press. In 1924, the Press merged with another local paper, the Long Beach Telegram, to form the Long Beach Press-Telegram. Nearly 30 years later, the Ridder family bought and merged the Press-Telegram with another local paper, the Independent, as the Independent Press-Telegram.

In the mid-1970s, a merger formed the Knight-Ridder company which continued to print the morning Independent and the evening Press-Telegram in Long Beach through 1984, when the Independent was dropped and the Press-Telegram was shifted to a morning paper.

The Knight-Ridder group sold the paper to Denver-based MediaNews Group in 1997. In 2006, MNG sold the iconic Press-Telegram headquarters at Sixth and Pine and moved the paper's office to the ARCO Tower on Ocean Boulevard.

In 2010, MediaNews Group, which operates more than 50 daily newspapers nationwide, including a cluster of nine in Southern California, filed for bankruptcy. Under terms of the bankruptcy settlement with debt holders, the majority of equity in MNG was given to a group of debt holders led by the Bank of America. Shortly after MNG exited bankruptcy, the former leadership of MNG was essentially swept aside and replaced by leadership chosen by the now majority interest group of former debt holders.

A Legacy Of Debt

According to most contemporary accounts at the time, the Press-Telegram in 1997 was in rough shape. While still profitable, profits had noticeably declined and staffing costs were increasing. Knight-Ridder contemplated shuttering the paper until a last minute deal from MNG-founder Dean Singleton brought the Press-Telegram into the MNG fold in late

1997. Though the actual price was not revealed, analysts at the time speculated that the Press-Telegram was purchased for as much as \$100 million.

Within a few years, MNG had put together a sizable chain of daily papers in the region. In addition to the Press-Telegram, MNG also acquired the Los Angeles Daily News, the Pasadena Star-News, the Whittier Daily News, the San Bernardino Sun, the San Gabriel Valley Tribune and the Redlands Daily Facts. In 2006, MNG also purchased the Torrance Daily Breeze.

Singleton's business strategy of buying up undervalued papers to create regional chains also required the privately-held MNG to rack up huge amounts of debt.

For many years this debt remained manageable as MNG continued to buy other papers, implement “efficiencies” and then use the squeezed profits to leverage further purchases.

In a 1995 American Journalism Review article, Singleton described his business philosophy: “If I had my choice between pleasing one banker or 1,000 journalists, I'd rather please the banker. You can't run your business over what the newsroom thinks.”

However, following a \$1 billion deal in 2006 for a cluster of papers in the Bay Area, including the San Jose Mercury News, MNG found itself floating a combined total of more than \$930 million in debt on its books.

Despite severe austerity measures and cuts at nearly all of the MNG papers, by the end of 2009, it was clear that the company was having difficulty in meeting its heavy debt service obligations.

These financial problems came to a head in January 2010, when MNG filed for Chapter 11 bankruptcy.

Less than three months later, in March, 2010, MNG exited bankruptcy under a pre-approved reorganization plan with its debt holders.

The plan reduced MNG's debt from about \$930 million to about \$165 million. The senior debt holders, led by Bank of America, received 89 percent of MNG common stock in a debt-for-equity swap. The remaining stock in the firm remained in the hands of senior MNG executives, including Dean

Singleton. In addition, the terms of the bankruptcy agreement allowed the debt holders, now the majority stock holders in MNG, to essentially take over the MNG Board of Directors.

While Singleton remained as the visible head of MNG after the bankruptcy, he was reassigned in early 2011 as MNG's “executive chairman of the board,” a position that most industry watchers identified as little more than a figurehead role with little actual control over what the debt holders' new boardmembers and executive appointments wanted to do with the firm.

A Shrinking Press-Telegram

When MNG made its moves into Southern California in the late 1990s, Singleton made it clear that the Los Angeles Daily News (LADN) would be the flagship of the nine papers that would eventually make up the MNG-owned Los Angeles Newspaper Group (LANG). In fact, the executive offices for LANG were located at the LADN offices in Woodland Hills.

In the early days of the LANG cluster, Singleton was not shy about expressing that he wanted to compete directly with the Los Angeles Times, essentially by surrounding it with the various LANG papers.

And, while the LADN was fashioned as the flagship within the cluster, the Press-Telegram became what many saw as a test-bed within LANG for various austerity measures.

More often than not, cuts were implemented at the Press-Telegram before other papers in the LANG cluster.

Members of the Newspaper Guild in Long Beach have often claimed that many of the cuts at the Press-Telegram since 1997 were a direct result of the successes of the Guild unit in Long Beach.

When MNG took over the Press-Telegram in 1997, the firm used a financial mechanism where it purchased the assets of the Press-Telegram and essentially closed the paper and fired all the workers, thus voiding the union contract that had been in place with Knight-Ridder. MNG then reopened the paper under the same name and offered to hire back a majority of the Press-Telegram employees,

albeit at much reduced salaries for those with more than five years at the paper and in a non-union shop.

However, the Guild unit at the paper almost immediately launched a successful move to re-unionize the Press-Telegram.

Over the years, many in the Guild have pointed to this immediate return of the Guild at the Press-Telegram as a sore spot for Singleton, one they believe led to many cuts within LANG occurring in Long Beach first.

MNG officials have repeatedly denied that any such animus toward the Press-Telegram exists.

According to the Newspaper Guild and various contemporary reports, the Press-Telegram in 1997 had about 450 total employees, with about 180 covered by the union. The union positions included writers, photographers, copy editors, phone operators, drivers, maintenance personnel, customer service and those in circulation.

Since 1997, all but the writers and photographers have been eliminated. Following the most recent cuts and transfers to Torrance, the number of Guild-covered employees at the Press-Telegram is now less than 10 writers.

“Now that I work in public radio, I see even more starkly how important it is to have full-time reporters who are spending time on their beats gathering stories – it’s absolutely vital,” said Reporter-G’s Scott.

“I know that the financial argument for these cuts is one of economics and a struggle to survive as much as you can, but there does come a point where you have to ask, ‘are they putting enough resources into this to make it worth its while?’ I mean, is the Press-Telegram really a newspaper anymore or is just a bureau of not just the Daily Breeze, but of the Los Angeles Newspaper Group?”

In addition, since the MNG purchase of the Press-Telegram, virtually all physical assets of the paper have been sold off. The 6th and Pine headquarters of the Press-Telegram, completed in 1925 and over the years expanding to cover nearly a full city block, was sold off in July 2006 for \$20 million. However, almost none of this money

stayed in Long Beach, according to MNG financials. Most went to pay dividends that year to about two dozen private stakeholders in MNG. Other properties were also sold off or shuttered, including several circulation facilities throughout the city and a bureau office in Downey.

Circulation at the Press-Telegram since the MNG takeover has also suffered greatly. In 1997, the Press-Telegram was reporting a daily circulation of just over 104,000 and an average Sunday circulation of about 120,000. According to the latest numbers from the Audit Bureau of Circulation, the Press-Telegram’s average daily circulation as of March 2011, is just under 81,000 and Sunday circulation is just under 69,000. This represents a 22.1 percent drop in average daily circulation since 1997, and a precipitous 42.5 percent drop in Sunday circulation.

The Press-Telegram’s circulation, while certainly impacted by much of the same economic reality facing the entire newspaper industry, has fallen at a noticeably faster rate than the U.S. average for the industry. According to Newspaper Association of America (NAA) numbers, the average U.S. newspaper experienced a 19.5 percent decline in average daily circulation since 1997 and a 23.7 percent drop in Sunday circulation.

An Industry In Turmoil

It should be noted, though, that the economic problems facing the Press-Telegram are not entirely unique. Over the last five years, the entire newspaper industry has been stung by financial woes as consumers and advertisers have shifted at an ever increasing rate from print to other mediums such as the Internet.

The NAA reported in early June that print sales – including racks and subscriptions – fell to \$4.7 billion in the first quarter of 2011, a 9.5 percent drop over the same period last year and a quarterly level not seen since 1983. This should come as no surprise, since industry figures show that print sales have been falling steeply since April 2006.

First quarter 2011 print sales were 55 percent lower than the first quarter of 2006, when the industry reported print

sales of \$10.5 billion and the last quarter in which newspapers showed year-over-year quarterly growth.

And while online ad sales, which have helped to recoup some of the lost print ad sales since the first quarter of 2006, now represent about 15 percent of total newspaper ad sales industry wide, the bottom line is that total ad sales – including all categories of print and online – are almost exactly half of what they were in the first quarter of 2006.

In addition, the global economic meltdown that began in 2007 further exacerbated the print and ad sales problems for newspapers. However, while Internet, radio and television ad sales began to recover and move into positive growth in 2010, the newspaper industry saw ad sales drop 6.3 percent in 2010. Print sales in the newspaper industry also continued to slide as other media sectors recovered from the economic collapse, shedding roughly 7 percent of print sales during each of the last three quarters of 2010.

As industry expert Alan Mutter pointed out in early June on his blog Reflections of a Newsosaur, the lack of growth in ad sales in the first quarter of 2011 only further solidifies the notion that the newspaper industry is experiencing what Mutter calls a secular change in the way people obtain and access media.

“A secular change like, say, the move from kerosene lamps to electric lights is one that does not reverse itself when the economy improves,” Mutter said.

“The worst news for newspapers is that tumbling ad sales are reducing the resources and, thus, the time that publishers have to reinvent their franchises to meet the expectations of modern consumers and advertisers.”

(Keith Higginbotham is a Long Beach-based freelance writer and a former Press-Telegram reporter, working at 6th and Pine from 1999 to 2002.)

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