



# Department of Justice

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## **JUSTICE DEPARTMENT REACHES SETTLEMENT WITH DAILY GAZETTE COMPANY AND MEDIANEWS GROUP INC.**

### ***Settlement Requires Restructuring of Newspaper Joint Operating Arrangement and Other Actions to Remedy Anticompetitive Effects of Transaction***

WASHINGTON – The Department of Justice announced today that it has reached a proposed settlement with the Daily Gazette Company and MediaNews Group Inc. (now known as Affiliated Media Inc.), that requires the companies to restructure their newspaper joint operating arrangement and take other steps to remedy the anticompetitive effects of the 2004 transaction, which was originally challenged by the department in May 2007.

In May 2007, the department filed a civil antitrust lawsuit alleging that the transaction violated the Clayton and Sherman Acts by consolidating ownership and control of the only two local daily newspapers in Charleston, W.Va., under the Daily Gazette Company and eliminating competition between them. Previously, the two newspapers had been separately owned and controlled, while operating within a newspaper joint operating agreement under the Newspaper Preservation Act. The department alleged that the transaction was part of a plan by the Daily Gazette Company to terminate publication of the *Charleston Daily Mail* and leave Charleston with a single daily newspaper, the *Charleston Gazette*.

The proposed settlement requires the companies to restructure their 2004 transaction to address the department's competitive concerns. Upon settling and restructuring their arrangement, MediaNews Group (Affiliated Media Inc.) will regain independent control over the operations of the *Charleston Daily Mail* and economic incentives to grow the newspaper. Additionally, the settlement requires the companies to offer substantial discounts of the *Charleston Daily Mail* in order to rebuild its subscriber base and prohibits the Daily Gazette Company from discriminating against the *Charleston Daily Mail* in circulation, advertising sales, and other key joint activities. The settlement also requires the companies to continue publishing the *Charleston Daily Mail* as long as it has not failed financially.

"Today's settlement resolves the department's antitrust concerns and allows readers to continue to have a choice between two independent local daily newspapers—the *Charleston Gazette* and the *Charleston Daily Mail*," said Christine Varney, Assistant Attorney General in charge of the Department of Justice's Antitrust Division.

The department today filed its proposed settlement in U.S. District Court in Charleston, W.Va. If approved by the court, the proposed settlement would resolve the department's antitrust concerns.

The proposed settlement, along with the department's competitive impact statement, will be published in the Federal Register, as required by the Antitrust Procedures and Penalties Act. Any person may submit written comments regarding the proposed final judgment within 60 days of its publication to John R. Read, Chief, Litigation III Section, Antitrust Division, U.S. Department of Justice, 450 5th Street, N.W., Suite 4000, Washington, D.C. 20530 (Tel: 202-307-0468). At the conclusion of the 60-day comment period, the court may enter the proposed final judgment upon a finding that it serves the public interest.

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