



Department of Justice

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**JUSTICE DEPARTMENT APPROVES NEWSPAPER ASSOCIATION'S
PLAN TO FORM NETWORK TO SELL ADVERTISING SPACE**

WASHINGTON, D.C. -- The Department of Justice's Antitrust Division has approved a proposal by The Newspaper Association of America (NAA) to form a national newspaper network to sell advertising space to national advertisers which would enable newspapers to compete more vigorously with other media for national advertising and benefit competition.

NAA is a trade association headquartered in Reston, Virginia, that represents daily and weekly newspapers throughout the United States. It is forming the National Newspaper Network (NNN) to promote newspaper advertising as an effective medium for national advertising campaigns.

The Department's position was stated in a business review letter from Acting Assistant Attorney General Robert E. Litan, in charge of the Antitrust Division, to counsel for NAA.

Litan said NAA's proposal provides a new service that individual newspapers acting alone cannot offer advertisers. As a result, the proposed network may allow newspapers to compete

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more vigorously with other media for national advertising and benefit competition.

Litan also states that the proposal's structure makes collusion or other anticompetitive behavior unlikely because the rate information of competing newspapers is restricted to the executive sales director who is required to keep rates confidential. Additionally, NNN will not bind its members with exclusive contracts. Members are free to solicit or accept advertising outside of the joint venture.

The opportunity to participate in NNN would be open to any weekly or daily newspaper in the United States. NNN's authority would be limited to arranging network coverage involving multiple markets and papers. NNN would not negotiate proposals for single newspapers or markets nor would it play a role in any newspaper's retail or classified advertising sales efforts. NNN's executive sales director will determine the price of the packages offered to national advertisers without the knowledge or involvement of any newspaper industry representatives.

Under the Department's business review procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement whether the Division will challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Legal Procedure Unit of the Antitrust Division, Room 3235, Department of Justice,

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Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file.

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