UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF ARKANSAS
FAYETTEVILLE DIVISION

UNITED STATES OF AMERICA; PLAINTIFF

v. Civil No.: 95-5048
[filed 4/26/95]

NAT, L.C. AND D.R. PARTNERS
d/b/a DONREY MEDIA GROUP; DEFENDANTS

COMMUNITY PUBLISHERS, INC.; and
SHEARIN INC., d/b/a SHEARIN & COMPANY REALTORS; PLAINTIFFS

v. Civil No.: 95-5026

DONREY CORP. d/b/a DONREY MEDIA GROUP,
NAT, L.C.; THOMSON NEWSPAPERS, INC., and
THE NORTHWEST ARKANSAS TIMES; DEFENDANTS

THE UNITED STATES' STATEMENT OF MATERIAL FACTS IN DISPUTE

Pursuant to Arkansas Local Rule C-10 (b), Plaintiff, the United States of America, hereby provides this statement of material facts as to which genuine issues exist to be tried.

1. *The Morning News of Northwest Arkansas* (the *"Morning News*") places its local focus on the cities of Fayetteville and Springdale (the "Fayetteville metropolitan area"), which includes, without limitation, the cities of Fayetteville and Springdale Arkansas.

2. *The Northwest Arkansas Times* (the *"Times*") places its local focus on the Fayetteville metropolitan area, which includes, without limitation, the cities of Fayetteville and Springdale, Arkansas.

3. Many readers of the *Morning News* consider the *Times* to be an

acceptable substitute for the *Morning News* as a source of local news, features, entertainment and advertising.

4. Many readers of the *Times* consider the *Morning News* to be an acceptable substitute for the *Times* as a source of local news, features, entertainment and advertising.

5. Advertisers wishing to reach residents of the Fayetteville metropolitan area, including Fayetteville, may advertise in either the *Times* or the *Morning News*.

6. Advertisers wishing to reach residents of the Fayetteville metropolitan area, including Springdale, may advertise in either the *Times* or the *Morning News*.

7. Many advertisers consider the *Morning News* to be a substitute for the *Times* and vice versa.

8. Many newspaper readers consider the *Times* to be a substitute for the *Morning News* and vice versa.

9. If the *Morning News* and the *Times* combine under substantially common ownership and control, the Arkansas Democrat-Gazette (the "*Democrat-Gazette")* will not publish a northwest Arkansas regional edition of its newspaper. The presence of the *Democrat-Gazette* has little or no constraining effect on the competitive behavior of the *Times* or the *Morning News*.

10. The figures below, measuring circulation in the Fayetteville metropolitan area, are cumulative circulation figures for the four zip codes which cover Fayetteville and almost all of Springdale (as well as some areas outside the cities): 72701, 72703, 72762, and 72764. Based on audited figures for daily circulation for the year

ending September 30, 1994, compiled by the Audit Bureau of Circulations, the *Times* had a daily circulation of 9,863 and the *Morning News* had a daily circulation of 14,122. Based on audited figures for Sunday circulation for the year ending September 30, 1994, compiled by the Audit Bureau of Circulations, the *Times* had a Sunday circulation of 9,156 and the *Morning News* had a Sunday circulation of 15,206.

11. According to the audited circulation figures for the year ending September 30, 1994, compiled by the Audit Bureau of Circulations, and the 1990 census data reflecting occupied households, the *Morning News* had daily circulation penetration in the four zip codes of the Fayetteville metropolitan area (72701, 72703, 72762, 72764) of 43.78%. The *Morning News* had a Sunday circulation penetration in the same four zip code area of 43.13%.

12. According to the audited circulation figures for the year ending September 30, 1994, compiled by the Audit Bureau of Circulations, and the 1990 census data reflecting occupied households, the *Times* had daily circulation penetration in the four zip codes of the Fayetteville metropolitan area (72701, 72703, 72762, 72764) of 27.98%. The *Times* had a Sunday circulation penetration in the same four zip code area of 25.97%.

13. Filed under seal pursuant to protective order.

14. Filed under seal pursuant to protective order.

15. Filed under seal pursuant to protective order.

Respectfully submitted,

/s/

Craig W. Conrath
Chief, Merger Task Force
Attorney
U.S. Department of Justice
1401 H St., N.W.
Washington, DC 20530
(202) 307-5779
Fayetteville: 521-5083

Dated: _____