

May 30, 2019

Hey all,

There is no good way to put this: Berkshire Hathaway has informed us that it is seeking people to apply to be bought out of their jobs. Target number: 10 volunteers.

Over the past 17 months, we have lost 50 people — and Berkshire has replaced only 4. Yet that, incredibly, isn't enough for Mr. Buffett or the people he has hired to run us — the tag team of shareholder-beholden Berkshire and shareholder- and debt-burdened Lee Enterprises.



We have lost more than 40 percent of our staff since Jan. 1, 2018. Our business reporting staff — the very people who are supposed to cover Buffett — is down to one; our features staff down to four, our photography staff, cut in half. Our news reporters are scrambling more than ever to cover this state we love.

Yet Berkshire Hathaway media labor relations director Ali Zoibi said Berkshire thinks our newsroom is thick.

We're baffled as to why Mr. Buffett, while citing the virtues of newspapers, continues to send us down the path to ghost-paper status. (A ghost-paper, in case you haven't heard, is a ghost of its former self — thinner, with scant staff and even less substance. Translated: It's your very own "El NINO" — newspaper in name only.)

Even more diabolically, Lee Enterprises — the company Mr. Buffett brought in to run us — stands to reap obscene profits through these cuts.

Lee is on pace to collect not just the \$5 million flat fee from Mr. Buffett but another \$5 million in incentives by meeting certain unknown benchmarks. Total for fiscal 2018-2019: at least **\$10 million**.

Translated: Mr. Buffett and Berkshire Hathaway are willing to pay \$10 million (it'll probably be more like \$12 million) to a contractor but not \$600,000 to retain 10 veteran journalists who have done nothing but devote their lives to this newspaper.

All of that comes on the heels of Lee Enterprises CEO Kevin Mowbray telling investors on a conference call in May that Lee has earned its bonus from Buffett "due to strong financial performance" of the World-Herald and other BH Media papers.

“Due to strong financial performance, we expect to earn more than \$10 million in the first year of the agreement, exceeding initial expectations,” Mowbray said.

Translated: This staff reduction isn't about need; it's about greed. Lee wants to collect an even bigger bonus from Mr. Buffett.

“We were told Lee was brought in as some sort of visionary — they've been nothing more than a mercenary,” said Todd Cooper, OWH Guild president.

“It's our steadfast hope that Mr. Buffett realizes how short-sighted these moves are, before it's too late.”

There's a better path forward, as other billionaires have shown. Paul Huntsman in Utah is turning the Salt Lake Tribune into a nonprofit — arguing that the public good is more important than shareholder servitude. The late Gerry Lenfest launched a slightly different model in Philadelphia, donating more than \$120 million to a foundation for journalism. Glen Taylor in Minneapolis and Patrick Soon-Shiong in Los Angeles are investing in their product, rather than ravaging it.

Meanwhile, in just the past 17 months, Buffett's hometown newspaper has lost 40 percent of our staff — and now the company wants to gut our newsroom again. Net effect: we would be down 50 percent from staffing levels on Jan. 1, 2018.

Since 2018, no other still-functioning newspaper has gone through that much gutting. Not even the Denver Post, a newspaper that is a skeleton of its former self and owned by the king of cutthroat news chains, Alden-Digital First Media.

Here are the particulars of this regrettable news:

—Berkshire Hathaway isn't seeking just anyone for the buyout; it is seeking those with 10 years or more experience. The kind of experienced, veteran journalists they should be trying to keep, if they had a long view.

—Berkshire Hathaway would give two weeks of severance per year of service, capped at 26 weeks.

—Our analysis shows that only nine of our Guild members would qualify for the **full benefit** of two weeks per year, capped at 26 weeks. This is why we countered that our staffers deserve a cap of no less than 40 weeks.

—The company wants to end your health coverage at the end of the month in which you would last work. This is unacceptable to us but it's their offer.

—The company theoretically could refuse your request to be bought out.

—We do not know what will happen if Berkshire Hathaway doesn't get the number of volunteers it wants. For that matter, Berkshire hasn't disclosed how many it wants. The company only provided a target number of 10 but admitted it could be more.

It is apparent to your Guild leadership that Berkshire Hathaway doesn't care about quality; it cares only about squeezing the last few dollars out of its questionable decision to burden the state's best newspaper — a vigorous, vigilant news outlet — by essentially placing it in not one but two newspaper chains. The World-Herald had never been in a chain until Mr. Buffett placed us in one in 2012, then brought in another chain to run us in 2018.

For reference, Lee Enterprises — which Mr. Buffett brought in to run us — just reported 24 (TWENTY-FOUR) percent profits on 5 percent less revenue, according to a call with investors.

How do you get 24 percent profits in a down market? By doing the only thing that Lee knows how to do: "cuts to people and paper," as Poynter's Rick Edmonds pointed out. One additional way: jacking up subscription rates for our loyal print subscribers.

We care about this newspaper. We care about holding the powerful accountable. We care about making sure our readers get the kind of journalism that reveals both the character and characters of Nebraska.

We care about our staff, the people who have toiled to put out this paper for you for 1, 10 or, in some cases, 40 years.

To our Guild members: If you would like to participate in this buyout, we are here to advocate for you, to answer any questions, to help you in a difficult decision.

If you would like not to participate, that's also your choice. We cannot advise you either way. But rest assured, we will stand by you.

In solidarity,

—Your orgs
Proudly representing
the 76 members of the OWH Guild

