

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

[Investigation of Chronicle and Examiner Merger]

URGING THE ATTORNEY GENERAL OF CALIFORNIA, BASED ON THE PRECEDENT ESTABLISHED IN THE STATE OF HAWAII, TO INVESTIGATE THE PROPOSED SALE OF THE SAN FRANCISCO CHRONICLE TO THE HEARST CORPORATION AND POTENTIAL VIOLATIONS OF THE FEDERAL ANTI TRUST LAWS AND VIOLATION OF THE NATIONAL NEWSPAPER PRESERVATION ACT AND FURTHER URGING THE SAN FRANCISCO DISTRICT ATTORNEY TO CONDUCT A SIMILAR INVESTIGATION.

WHEREAS, The Honolulu Star Bulletin and the Honolulu Advertisers are Oahu's two largest daily newspaper; and

WHEREAS, The Star Bulletin and the Advertiser have a federally sanctioned Joint Operating Agreement which allows to the two news agencies to mutual assistance in the printing, distribution and advertising while simultaneously operating separate, independent news bureaus; and

WHEREAS, Gannet Corporation, owner of USA Today and 88 other daily papers across the nation including the Honolulu Advertiser, offered to buy the Honolulu Star Bulletin for \$26 million; and

WHEREAS, The Attorney General of the State of Hawaii filed suit to block the merger citing the merger would violate the federal Newspaper Preservation Act, destroy competition, monopolize Oahu's newspaper market, diminish diversity of social and political perspectives; and

WHEREAS, On October 13, 1999, U.S. District Judge Alan Kay granted a temporary injunction to the proposed buy out of the Honolulu Star Bulletin; and

WHEREAS, In San Francisco, the Chronicle and the Examiner are the City's two largest dailies and share a similar federally sanctioned Joint Operating Agreement; and

Supervisors Ammiano, Bierman, Yee

1 WHEREAS, The Hearst Corporation, owners of the San Francisco Examiner, has
2 proposed to buy the San Francisco Chronicle while simultaneously offering to sell the
3 Examiner; and

4 WHEREAS, The Hearst Corporation's proposal to sell the Examiner does not include
5 the infrastructure necessary for the distribution and a production of a daily newspaper with
6 circulation which spans the nine Bay Area counties and therefore displays a less than diligent
7 attempt at attracting an interested buyer; and

8 WHEREAS, The proposed merger of the Chronicle and Examiner would result in the
9 monopolization of San Francisco's newspaper market by the Hearst Corporation,
10 diminishment of the diversity of perspectives and opinions, and reduction in the coverage of
11 issues important to residents and neighborhoods; and

12 WHEREAS, The Hearst Corporation will be less accountable to the public and public
13 interest while the pressure to maintain the flow advertising dollars will inversely increase; and

14 WHEREAS, Studies indicate that because serious news with depressing subject
15 matters negatively influences the emotional state of the reader and will less likely to
16 contemplate the purchase of a product or service, advertisers favor light hearted and soft
17 news over serious news because of its influence on the subjective state of the reader; and

18 WHEREAS, The lack of competition from a rival daily would compromise the quality
19 and quantity of news coverage, especially issues vital to minority and
20 gay/lesbian/bisexual/transgender communities; now, therefore, be it

21 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
22 urges the Attorney General of California to investigate, based on the precedent established in
23 the state of Hawaii, the proposed sale of the San Francisco Chronicle to the Hearst
24 Corporation for potential violations of federal anti-trust laws and the National Newspaper
25 Preservation Act ; and be it

1 FURTHER RESOLVED, That the Board of Supervisors urges the San Francisco
2 District Attorney to conduct a similar investigation; and be it

3 FURTHER RESOLVED, That the Board of Supervisors request that the Clerk of the
4 Board send copies of this resolution to the office of the Attorney General of the state of
5 California and to the office of the District Attorney of San Francisco.

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23 **SUPERVISOR AMMIANO**

24

25



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails

Resolution

File Number: 992003

Date Passed:

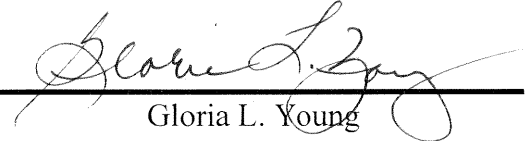
Resolution urging the Attorney General of California, based on the precedent established in the State of Hawaii, to investigate the proposed sale of the San Francisco Chronicle to the Hearst Corporation and potential violations of the Federal anti trust laws and violation of the National Newspaper Preservation Act and further urging the San Francisco District Attorney to conduct a similar investigation.

December 6, 1999 Board of Supervisors — ADOPTED

Ayes: 11 - Ammiano, Becerril, Bierman, Brown, Katz, Kaufman, Leno, Newsom, Teng, Yaki, Yee

File No. 992003

I hereby certify that the foregoing Resolution was ADOPTED on December 6, 1999 by the Board of Supervisors of the City and County of San Francisco.



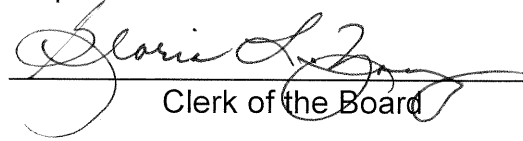
Gloria L. Young
Clerk of the Board

Date Approved

Mayor Willie L. Brown Jr.

Date: December 20, 1999

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, became effective without his approval in accordance with the provision of said Section 3.103 of the Charter.



Clerk of the Board

File No.
992003