

Insurance and Real Estate Committee JOINT FAVORABLE REPORT

Bill No.: SB-1043

Title: AN ACT CONCERNING THE HARTFORD COURANT.

Vote Date: 3/22/2021

Vote Action: Joint Favorable

PH Date: 3/18/2021

File No.: 368

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SPONSORS OF BILL:

Insurance and Real Estate Committee

Sen. Matthew L. Lesser, 9th Dist.

Sen. Saud Anwar, 3rd Dist.

Rep. Matt Blumenthal, 147th Dist.

REASONS FOR BILL:

This bill prohibits the Hartford Courant Company and any of its legal successors from acquiring debt or issuing dividends that are not in the public interest. If they violate this provision, the Attorney General, or subscribers of the Courant, have the ability to apply to the Superior Court for injunctive relief to urge the Hartford Courant Company or any successor to rectify the breach. The court may award reasonable attorney's fees and costs obtained by the prevailing party. It has been publicly noted that the primary ownership of the Hartford Courant by hedge fund corporations has caused detrimental effects to the publication. The quality of the paper has diminished, and local news reporting has been neglected. This bill would aid in preventing such corporations from continuing their attempts at increased ownership of the Courant that is not in the public interest.

RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed

NATURE AND SOURCES OF SUPPORT:

Armond & Janet Barneschi support this legislation deeming the paper a vital source of information and part of their daily routine. They urge for the effort in saving the Courant.

Michael Cooney he is worried that the reliable and important news source might diminish soon with the possibility that it be overrun by Alden Global Capital. Mr. Cooney believes the Courant must be saved for the sake of journalism, staff, and the community.

Mark Diamond believes that the Hartford Courant is the only reliable and credible news source for statewide coverage. He supports the legislation but also suggests the idea of a tax credit for news organizations that maintain their editorial staff.

David Bergman urges the passage of the bill to save the local newspaper. He explains that as new owners have emerged for the Hartford Courant, the company has downsized tremendously in terms of staff and subjects on which it reports on. Mr. Bergman notes that the company has significantly reduced the number of reporters, photographers, and copy editors. He explains that this has continued to ensue ever since Alden Global Capital became the largest shareholder for Tribune Publishing. With the new plan for Alden Global Capital to purchase The Tribune Organization, Mr. Bergman believes the integrity of the Hartford Courant is in jeopardy. Without prioritization of journalism citizens, will become less engaged and communities will become invisible.

Carl Chisem, President Connecticut Employees Union Independent, SEIU Local 511 He believes that due to Alden Global Capital becoming the Courant's largest shareholder, the size and efficiency of the company have decreased. As a result, Mr. Chisem has seen neglect of many important news subjects, which is hindering the quality of the reported news. He believes that the passage of the bill will prevent Alden from further destroying the establishment.

Carol Davidge believes that the quality of the newspaper has diminished by intentions driven by profit, leading to a shortage in staff and coverage. She explains that The Hartford Courant has maintained a prideful and important reputation, and efforts should be made to save it.

Michael Crowley & Judith Schmaltz Crowley emphasize the value of a local newspaper in our state capital. They believe the Alden Global Capital group has made devastating changes by moving printing headquarters out of state and diminishing the quality of news coverage. With the divide in our country currently, it is important to maintain fair and reliable news coverage.

Sam Dostaler urges to save the paper. He explains that due to the relocation of headquarters to Springfield, as a result of the Alden Global Capital, news tips that are given the night before are not covered in the paper the next day. Mr. Dostaler believes Alden will only continue to diminish the paper. As a result, he is questioning whether to continue his subscription.

James Case, Communications Workers of America Local 1298 states that predatory hedge funds are putting the prestige and extensive history of the Courant in jeopardy. He explains that Tribune Publishing has significantly neglected its employees, even administering a furlough for many of them. Mr. Case also notes that the papers' headquarters have been abandoned. He believes that this legislation would prohibit the Alden Global Capital group from incurring debt and extracting value from the company. He urges that such an important entity should be reserved for local ownership to prioritize the quality of journalism.

Barbara Checknoff submitted testimony in support of the Courant's independence and hope that that it can continue to survive and even grow.

Jim Colla supports this bill and the Hartford courant.

Mary Ellen Ellsworth supports this bill.

The testifiers support the bill because they believe in maintaining the Hartford Courant as a local and physical news source. They believe that this legislation would counteract the recent downward trajectory of the corporation, in an effort to save the coveted newspaper.

Robert Englehart supports the bill because the internet and greed of the hedge fund racket have destroyed the integrity that the Hartford Courant once embodied. Mr. Englehart notes that newspapers used to solely prioritize journalism; they served as a strong and reliable source for news coverage. He believes the Courant is now in the hands of people who do not prioritize the common good. As a result, the paper is not serving the people as effectively as it used to.

Kevin Farmer expressed the Courant has served Connecticut communities for centuries. Mr. Farmer believes that shining a light on the minuscule and major moments and occurrences, is vital to our democracy. He comments that the Alden Global Capital has hindered the Courant's capacity and quality through cutting staff and expertise. It has eliminated many substantial jobs. Mr. Farmer believes this legislation should be passed to protect the free and independent press.

David Fenn believes that allowing corporate greed to destroy the sanctity of our press should be greatly inadmissible. He believes that further damage of the Hartford Courant will only damage our Democratic Republic and directly affect Connecticut residents.

Kathy Flaherty notes that the Courant provides information on the state legislature, the country, and the world. She believes the paper has become a shadow of its old self as Alden Global Capital has prioritized cost-saving initiatives. This has directly hindered the quality of the paper, as well as its work environment and functions. Local newspapers are vital to hold local elected officials accountable. The history of the paper is quite extensive and important, and it should be saved.

Timothy Gabriele believes that one of the greatest fundamental threats to American democracy is the loss of local and regional reporting. Without investigative journalism, corruption and unethical behavior are pronounced, causing detrimental effects to the lives of citizens and our communities. He explains that voices become silenced, and justice is not properly served. Mr. Gabriele believes that Alden Global Capital has been stripping the Hartford Courant of its journalistic integrity in an effort to absorb profit for itself. He quotes Chicago Tribune reporter Gary Pratt on a segment of NPR saying, "they're shameless about cutting. They don't care about the social value of the news, at least not in any meaningful way." The Hartford Courant, America's oldest newspaper, has already faced years of intense cuts to staff, journalists, photographers, and editors. He states that the disenfranchised in his town feel left without a voice. Issues that matter most to some residents are shoved aside for financial matters more important to the ownership class than everyday people. Mr. Gabriele emphasizes the importance of protecting local news from hedge funds, and their lack of concern for the state of democracy in Connecticut.

Deborah Gaffney is concerned that the Hartford Courant will eventually be sold or shut down. She states that newspapers are vital to a democracy. Citizens must be assured that they are receiving the proper and necessary facts and stories from news outlets so that they can gather information needed to cast votes. Recent cuts had diminished the paper's capacity to ensure full coverage of the facts. She notes that only one reporter is left in Hartford and a few remain in surrounding towns. Only three photographers remain, and there have been large cuts to editors and sports staff. Last fall, printing was outsourced to Springfield, costing 151 jobs. She also notes that the local newsroom was also lost. She emphasized that local ownership should be prioritized and urges for the passage of the bill.

Christopher Gelino supports the bill as a subscriber to the newspaper. He is fearful of the future damages that will ensue with Alden Global Capital's plan to acquire a controlling stake in Tribune Publishing. The company has already downsized considerably leading to the lack of certain subjects being covered in the paper. He states that since the Courant is one of the oldest continuously published papers, it must be protected and saved. He goes on to explain that a reliable news source is pertinent to democracy as it allows for fact-based public engagement, holding leaders accountable, and the prioritization of vulnerable citizens. The paper will need local leadership to adapt to the modern news cycle.

Philip Gialopsos is very concerned with the recent scale-back of the Hartford Courant's size, staff, and offices. Local journalism is very important especially in a growing economy to hold the government and major corporations accountable. He also highlights the paper's importance as an outlet for aspiring writers. Bill 1043 is the first step in making sure our local news is not destroyed by large corporations.

Rick Gregory supports this legislation because he has been a subscriber of the courant for over 30 years and is very disheartened by the way the paper has been gutted by hedge funds. The coverage of a range of topics had dwindled, leaving Mr. Gregory to rely on non-professional sources for news. He believes the amount he pays for the paper isn't worth the stories it provides anymore. He quotes a Miami Columnist Carl Hiassen who wrote an article detailing that journalism is plummeting and as a result, local news isn't being reported. As newspapers die, the citizens of local communities are being affected the most. While there are sources to cover national and statewide news, a local paper is just as important and needs to be maintained.

Winston Heimer states that the preservation of local newspapers is vital for the preservation of democracy. As current owners have stripped the paper of its staff and previous headquarters in CT, local news coverage has deteriorated. The local coverage made sure government agencies were being held accountable. He describes how after 9/11, the US Justice Department began deporting Muslim and Arab immigrants in secret court proceedings. Several newspapers a U.S. Rep. John Conyers fought against this deeming it a violation of the first amendment to close immigration hearings to the public, and the slogan "democracy dies in the dark" emerged. By shining a light on local issues, we ensure our democracy's strength.

Matthew J. Hennessy, Managing Director of Tremont Public Advisors believes that taxpayers have a stake in how the paper conducts its business affairs. The Hartford Courant has been a vital source of information, which allows citizens to hold the government accountable for its actions. The dramatic cost reductions, including large reductions in staff, have a direct impact on our economy and well-being. Additionally, the closure of the Courant's Broad Street headquarters will have a cascading effect on municipal tax revenues. It will result in the City of Hartford collecting less property tax and ultimately asking the General Assembly to make up the lost revenue. The bill is the right thing to do on behalf of the hardworking staff of the Hartford Courant and our communities.

Ken Herts, Director of Operations and Chief Operating Officer, The Lenfest Institute for Journalism, LLC believes that The Lenfest Institute's experience with The Philadelphia Inquirer over the past five years, as a public-benefit corporation owned by a non-profit parent company, can provide insights into a possible future for the Hartford Courant. Gerry Lenfest and partners bought the Inquirer from a group of hedge funds, including Alden Global Capital, in 2012. By the end of 2015, Mr. Lenfest didn't believe that print newspapers had a long-term future as for-profit enterprises. But he believed the journalism they provided served an important civic purpose, essential to the life of a city

or region. Mr. Lenfest had a new structure in which he wanted to reiterate traditional journalism. The Philadelphia Inquirer is a Public Benefit Corporation; it can both keep all the operating profits it generates and receives support funds from the community. Rather than paying its earnings out to shareholders, the Inquirer can invest in quality journalism and business transformation. The Lenfest Institute raises funds on behalf of the Inquirer and makes grants to it from the funds raised and from earnings on the Institute's endowment. Overall, this structure allows for prioritization of journalism and he believes the Courant can benefit from a similar system.

Elizabeth Husmer is concerned that the Courant will fall into the hands of someone who prioritizes the business rather than the journalism that provides necessary information about local communities. Investigative journalism has preserved democracy for years as it promotes truth and transparency. She believes we cannot solely rely on primary "giants" as our resource; local papers are essential. She highlights the importance of the opinion page in the Hartford Courant as it provides different perspectives from that of our own. She urges for any legislation that will save and protect the paper.

William Hyatt has been a reader of the Hartford Courant for 50 years, relying on it for thoughtful news and analysis. He believes it is essential for the state that there are local news outlets that provide factual news that goes beyond what is seen and shared on the internet. He says that the way news and opinions have been delivered recently are engulfing our society and hindering the availability of unbiased facts and thoughtful opinions being shared. He believes that this is harmful to our democracy, and the Courant provides a balance of traditional formatting and coverage. He strongly urges the bill be passed and also encourages other steps be taken to ensure the protection of the paper.

Renee James is appalled at the repercussions of Alden Global Capital securing a large stake in the Hartford Courant. She had seen the paper shrink in size along with the local and state-wide coverage under Tribune Publishing but only worsened with Alden. They have cut staffing by more than half and even make employees pay expenses as a part of working there. She states that even more Connecticut jobs will be lost under Alden since the paper isn't printed in our state anymore. She urges that the bill be passed, or she worries that democracy is in danger.

Cherie Juhnke She believes newspapers have been diminishing quickly, thus freedom of speech is in jeopardy. Local news is being left in the past as social media has taken over, however, we can't rely on social media for reliable news and facts. She urges that Alden Global Capital be stopped from destroying the paper. She also urges new voices and perspectives to be added to the paper, which can only be done with local ownership and the prioritization of journalism.

Barbara LaFlesh believes hedge funds are destroying one of the oldest papers in the United States. Owners have cut staff, sold property, and ultimately decreased the quality of the paper. She realizes it is a function of capitalism but doesn't believe it's the way business should be operated.

Luella Landis supports this legislation and local ownership of the newspaper so that journalism is prioritized rather than profited off of.

Mary Larkin believes that the quality, and size, of the Courant has diminished. Many subjects are left uncovered and only a small number of reporters, photographers, editors, and sports staff are left. There were once around 400 newsroom employees and that figure is now down to 50. This has only worsened as Alden Global Capital took share in the company. Since January 2020, another 24 employees have been cut. She urges for local ownership, so journalism is prioritized over profit.

Sal Luciano, President Connecticut AFL- CIO considers the Hartford Courant a national treasure as it is the country's longest published newspaper. This bill stops predatory hedge funds from destroying the papers they own. The paper has decreased in size which has worsened since Alden Global Capital became the largest shareholder, cutting more staff and outsourcing the printing headquarters. Quality journalism aligns with freedom of press and it must be protected. He explains that in the Revolutionary War when its paper mill was burned down, the legislature authorized a lottery to raise money to build a new one.

Rebecca Lurve, Union Chair of Hartford Courant Guild is the Courant's Hartford city reporter. She supports the bill because she believes America's longest published newspaper is under attack by corporate leaders who only prioritize profit. The journalism industry is being hindered, causing staffing shortages and lifelong employees to struggle. Alden is expected to take ownership of the Courant in the next several months which will lead to even more cuts in staff. Meanwhile, coverage of the Greater Hartford region's suburbs has grown scarce, with three reporters tracking the metro area. A staff of three photographers spans the entire state. A sports desk that formerly covered the Yankees, Red Sox and Patriots now lacks the resources to cover even local high schools. The investigative desk that uncovered injustice is gone. If this continues, the integrity of the paper will be completely destroyed. With new management the paper can be built up to its previous status, inviting more jobs that had been lost. With community support and this legislation, the paper can be saved.

Paul Marks is a former employee of the Hartford Courant and believes it is imperative to preserve our sense of community. He has had first-hand experience with the level of importance and resourcefulness that the Courant has provided. It is reliable and accurate which is vital in local communities. He is saddened by the decrease in staff and worries that Alden Capital will only worsen them. S.B. 1043 will ensure much-needed conversion of The Hartford Courant to local ownership under a nonprofit model that has been shown viable with organizations such as The Connecticut Mirror.

Tom Morgan notes that Alden Global Capital has decreased staff and coverage of certain subjects. Mr. Morgan believes they don't care about journalism and the impact that local communities endure as a result of that. Connecticut needs a paper with a substantial staff that has the resources to provide necessary coverage locally, regionally, and nationally. He pushes for this legislation in hopes that the Courant remains independent.

Matthew Murray has been a subscriber of the Courant for over 30 years. With recent changes, the paper has become unfamiliar to him. The staff has majorly decreased which has affected its quality. As a realtor he relies on the Courant for updates and important information, so he urges that it be protected.

Alyssa Peterson notes that The Hartford Courant has been stripped of its newsroom, reporters, and presses. She deems it an embarrassment that the once-booming paper is lacking in coverage and substance. She advocates for a nonprofit to own the paper like the Poynter Institute owns the Tampa Bay Times. Elsewhere, we see wealthy stewards purchasing newspapers individually to preserve their value for a region: The Henry family with the Boston Globe, Jeff Bezos and the Washington Post, and Patrick Soon-Shiong with the LA Times and San Diego Union-Tribune. The bill will lessen the chances for money-hungry shareholders to continue exploiting the corporation for profit. She believes S.B.1043 is a first step in the effort of local ownership of the paper.

Joan Pritchard notes that The Hartford Courant has been dwindling in size and content for several years. Our democracy has always relied on a viable press, but recent ownership has compromised the paper, only prioritizing and looking to expand profit rather than maintaining a robust and resourceful press. The Sunday paper used to have a vast array of topics and stories covered. Without it, she wouldn't know how to vote, when a parade is scheduled, who is making a difference in the city's neighborhoods, what new play or concert is happening, where new construction is planned and what new businesses have opened, how other neighborhoods in the city are doing, how the UConn sports teams have done, who is running for office, what the questions will be on the ballot, or what the ballot looks like. The consequence of losing the paper is a less engaged community. Whatever can be done to prevent this should be pursued.

Robert Rinker believes that hedge funds are contributing to the Courant's downward spiral. The paper is not being printed in Connecticut which has led to a decrease in the quality of news. They have abandoned their modernized print operation and have laid off 150 workers. The sports coverage used to be exceptional and now it is almost impossible to see sports news for events that had happened after 8 p.m. The Courant once had local news bureaus, which reported local stories. Now, it is mostly obituaries, which have to be paid for to be in the paper. Mr. Rinker states that two staples of any newspaper are its reporters and its editorial board, and the reporters have been lacking. There used to be reporters for every town in the Hartford area now they have one. There is no longer an editorial board or daily editorials written by the editorial staff. Members of the public used to be able to travel to the editorial board room of the Courant to debate with the editorial board staff about its editorial content. Now, the editorials are content bought from the Tribune Content Services or the New York Times. The Courant has been buying content from other papers and sources rather than utilizing its own reporting. He believes the newspaper should acquire local control and ownership and this legislation is a step in that direction.

John Roche notes that newspapers have played a vital role in both educating us and building community. They help set the agenda for debates on important public policy issues by including stories on certain topics and recommending certain actions. Today, there are 50% fewer newspaper journalists than in 2008, resulting in a decrease in the quality and quantity of public service journalism. Often, no reporter shows up at town council meetings, nor do the journalists at many newspapers receive the time or encouragement to produce in-depth analytical pieces that illuminate and inform. Journalism is also vital as it connected local communities with local businesses through advertising. Advertising has been declining; over 75% of dollars devoted to digital advertising go to big corporations such as Google and Facebook. Lastly, he explains that local journalism encourages community engagement and political activism.

Mary Roickle states that journalism is said to be the fourth pillar of democracy. Yet, more and more journalism has been reduced to subjectivity and sound bites via TV, radio, and social media sources that often provide biased and plain misinformation. The Courant is undergoing constant reductions which are hindering its value within Connecticut communities. The downsizing of staff, reporters, and sports involvement are affecting timeliness and topics of news reported. By the time it is published, it is old news. The paper needs to be involved in our local and state systems to promote engagement within them.

Clare Rossini supports this bill and its intention to protect the journalistic integrity of *The Hartford Courant* from the predatory cuts instigated by Alden Capital. She states that the Courant provides in-depth reporting that is required for a citizen to understand local and national issues and participate thoughtfully in our democratic process. She is dismayed by recent staffing cuts and the closure of the

Broad Street newsroom. She believes the current owners have no regard for the community's reliance on the paper. There is no correlation between the goals of Alden Capital and that of journalistic organizations. As social media has greatly impacted the circulation and consumption of news, local journalism is imperative. We need news organizations committed to providing in-depth, thoughtful, balanced information. It needs to be protected for the sake of our communities and economy.

Carrie Sawtell, Many Rivers Community Acupuncture, LLC believes a free press is imperative to a functioning democracy. When hedge funds take ownership of local papers solely for profit, democracy is threatened. Ms. Sawtell notes that in the past, local community events were reported in The Courant. Now that newsrooms have been closed and relocated it is challenging to have these stories reported. She believes many community events and local news stories are being unreported as a result of the paper's decline. She pushes for local, nonprofit ownership and believes this legislation should be passed.

Nancy Schoeffler Former Special Projects Editor, The Hartford Courant, Former Editor, Hartford Magazine notes that for more than two centuries The Courant has illuminated our community's endeavors — from the day-to-day hopes, soaring successes, quiet progress, to painful struggles and challenges of Connecticut's people. It has always provided honest and informative news that provides citizens with all the necessary facts. Despite its recent challenges, the Courant is still an essential voice connecting citizens and their communities. There are so many future stories to tell, and the Courant will find them. She strongly supports this legislation and hopes that it be passed.

David Weidlich Jr, President CWA Local 1298 comments that the bill stops predatory hedge funds from harmful ownership of the Hartford Courant. Tribune Publishing mandated furloughs leaving hundreds of staff jobless, moved printing operations out of Connecticut, and told employees to work from home completely abandoning headquarters for the first time since its founding. Many essential subjects have been left uncovered as only one reporter is covering Hartford and a few for other towns. Alden Global Capital has only expedited this decline. The Courant needs local ownership to preserve its journalistic integrity.

NATURE AND SOURCES OF OPPOSITION:

Andrew Julien, Publisher and Editor-in-Chief of the Hartford Courant has concerns about Government interference within the local newspapers which are a hallmark of a free society summarized in the First Amendment. Newspapers play a vital role in society as they prevent alternative facts and narratives. He believes that the Courant has been and continues to provide quality journalism. Especially in the past year amid the pandemic, the Courant has been a vital resource through the reporting of powerful story-telling and important facts about the crisis. He believes this can only continue without government interference, as it threatens a free and open exchange of ideas that are essential to Democracy. Mr. Julien states that the ability to make decisions on whether the newspaper is acting for the public interest in terms of reporting and business aspects goes against the principle of a free press.

Chris VanDeHoef, Executive Director, Connecticut Daily Newspapers Association believes this legislation would be a direct violation of the first amendment and the notion of free press in Connecticut. State Legislature involvement in the operations and processes of any newspaper in Connecticut is unlawful. Allowing the Attorney General to decide what constitutes public interest also

goes against classifications within the amendment. The CDNA believes, just as much as anyone else, that the Courant should remain in Hartford with a substantial newsroom. However, the Connecticut General Assembly doesn't have the authority to convene in matters relating to any news or media operations. The bill references a Special Act from March of 1887 as "approving" the Hartford Courant. While Acts like this were needed at the time to establish the ability to "trade" as an entity, it did not provide oversight authority to the legislature. By implying that the paper may only operate its finances towards the "public interest" undermines the work and effort that the paper has exemplified for the last two centuries. The reality of our social media climate has decreased the significance of papers as a source of news. However, the Hartford Courant, and all member papers of CDNA, provide integral oversight and recognition of our government, our community, and our fellow citizens. He urges for the rejection of the bill, deeming it unconstitutional to exert government influence over the free press.

Reported by: Edije Frangu

Date: April 13, 2021