

Howard

FREEDOM NEWSPAPERS, INC.
17666 FITCH • IRVINE, CA 92714-8022 • TEL (714) 553-9292
FAX (714) 474-7876 • REPLY TO: P.O. BOX 19540 • IRVINE, CA 92713-0540

JAMES N. ROSSE
President
Chief Executive Officer

October 19, 1993

Frank Russell
President and CEO
Central Newspapers
307 N. Pennsylvania St.
Indianapolis, IN 46204

JHR
10-25-93

Dear Frank:

As you no doubt know by now, my September 27th poll of the "Technology Consortium" regarding a possible meeting and meeting date met with success. Although Mike Pulitzer had to adjust his calendar to do so, all of us can meet on

? *CHIP*
JONES

Monday, November 8, 1993
10:00 AM - 1:30 PM
Corporate Offices
Freedom Newspapers, Inc.
17666 Fitch
Irvine, CA 92714

Contact person at Freedom will be my assistant, Mary Harding, 714/253-2308, and you may use that telephone number or 714/553-9292 for messages or calls while you are here. I believe Mary has already been in touch with your office to offer help or advice on arrangements, if either are needed; in any case, do not hesitate to ask for her assistance.

I have asked Dave Threshie and John Schueler, Publisher and General Manager of the *Orange County Register* respectively to join me as Freedom's delegation to the meeting. As I indicated in my prior letter, we can handle up to three persons per delegation in our Board Room, and that's probably the largest meeting we want to have at this time, anyhow.

We will meet in the Board Room from 10:00 AM until Noon. After a short break, we can reconvene in a lunch room for a light repast. After they have had a bite to eat, I will ask John Schueler to answer questions about some of the things that the *Register* is doing. I will also ask Alan Bell (who heads our Broadcast Division) to answer questions about the *Orange County NewsChannel* (OCN).

The meeting will end with lunch. However, if there is interest in visiting the *Register* or the OCN, that can be arranged for the afternoon. Their Santa Ana location is about twenty blocks from here, and one would need to allow

Frank Russell

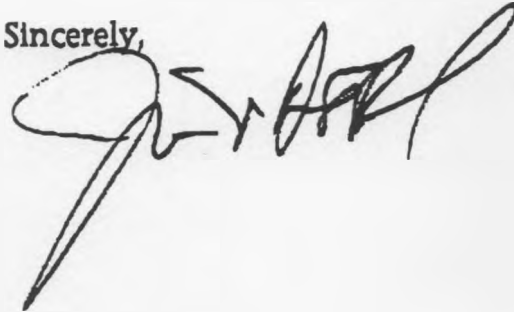
October 19, 1993

a good fifteen minutes travel time each way in addition to whatever time was spent at the Register location. We can, of course, provide transportation.

All of the above is quite easy to arrange. What is more difficult is to imagine what kind of agenda would best suit our needs. Since I bear at least partial responsibility for thinking this was a good idea, I have taken a stab at an agenda, as attached. Please look it over and come prepared to reset the agenda if you want under the third item on the agenda.

I look forward to seeing you on November 8th. I hope we can get something worthwhile started!

Sincerely,

A handwritten signature in black ink, appearing to read 'Frank Russell', written in a cursive style.

attachments: "Proposed Agenda",
"Technologies List",
"List of Possible Forms of Collaborations".

Technology Consortium

Meeting, November 8, 1993

10:00 AM – 1:30 PM

17666 Fitch, Irvine, CA

Proposed Agenda

1. Welcome & Introductory Remarks — Rosse
2. Self-Introduction by Participants
3. Confirmation or Revision of Agenda
4. What Technologies Are We Interested In?
(Suggest edits, additions, and/or omissions to the attached "Technologies List".)
5. What Kinds of Cooperation Make Sense?
(Use the attached "List of Possible Forms of Collaboration" to guide discussion.)
6. Should We Meet Again? If So, Where & When?
7. Recess for Lunch
8. Discussion with Lunch:
John Schueler (*Register* General Manager) responds to questions about *Register* activities on the technology front.
Alan Bell (Broadcast Division Senior VP) responds to questions about Orange County NewsChannel.

Technologies List

Electronic Products

Narrow Band

AudioTex

Fax Media

Electronic Magazines & Newspapers

Personal Communication Service (PCS)

Digital Cellular & Digital PCS

Wide Band

Interactive Cable

Advertising

Retailing, Catalog Sales

Niche Information Products

Niche Entertainment Products

Direct Broadcast Satellite (DBS)

Wireless "Cable"

Miscellaneous

Other Products

CD-ROM Products

"Roger Fidler" Newspapers

"Bulletin Board" Computer-Based Products

Local Cable Channels

Newspaper Production

Direct to Press Printing

Color Prepress & Printing Technologies

Pagination & Other Prepress

Inserting & Paper Handling

Address Specific Delivered Products

Remote Entry Sales & Reporting

Organizational Innovation

Competition w/ postal service

List of Possible Forms of Collaboration

This list has been prepared by Jim Rosse solely to stimulate discussion and is not intended to represent a proposal for joint action. The items are ranked roughly from those requiring the least to those requiring the most collaboration. October 19, 1993

Collaboration among members of the Technology Consortium could include:

- a) No collaboration at all.
- ✓ b) Comparing notes on technologies in which we are individually involved or interested.
- ✓ c) Designating an individual in each organization who would be responsible for collecting current experience and intelligence from his/her organization for exchange among Consortium members.
- ✓ d) Creating a technology newsletter internal to the Consortium with production costs shared among members.
- e) Hiring a specialist (consultant? more than one?) to work for the Consortium whose job it would be to scan emerging technologies, collect information about them, and report it succinctly to us according to our individual needs and interests.
- f) Adding a level of analysis to the efforts in e).
- ✓ g) Negotiating a Consortium membership in the MIT Media Lab or similar group or participating in the Knight-Ridder effort in Colorado.
- h) Representing Consortium members in dealing with third parties regarding Consortium interests in new ventures.
- ? i) Facilitating joint ventures in new technology projects among two or more Consortium members.
- ? j) Creating an entity to carry out investment activity in new technologies on behalf of the Consortium.

INFO
exchange

HIRE
Quickly *

Technology Consortium November 8, 1993

Exploring the problems that middle sized media companies face with rapidly evolving technology and the market and regulatory uncertainty that result.

Attendees:

David Cox, Joel Kramer, Patrick Irestone
Cowles Media Company

Erwin Potts, Bill Honeysett, Sylvia Chavez Sitters
McClatchy Newspapers, Inc.

Michael D. Pulitzer, Dave Lipman
Pulitzer Publishing Company

Frank Russell, John Oppedahl, Howard Finberg
Central Newspapers

Jim Rosse, Dave Threshie, John Schueler
Freedom Newspapers, Inc.

*I'll talk generally
if you'll discuss
A-snap.*

December 28, 1993


MEMORANDUM

To: Mr. Applegate
Mr. Weil
Mr. Finberg
Mr. Oppedahl

Gentlemen:

After writing Thursday, here comes another piece from Jim Rosse under date of 12-17-93. Please note and file.

It is time to get moving and I will be contacting you shortly.


Frank E. Russell

FER/mkp

Enclosure

January 07, 1994

MEMORANDUM

To: Mr. Patrick Irestone
Cowles Media Company
Minneapolis, Minnesota
VIA FAX (612-673-7722)

AND

Mr. James N. Rosse
Freedom Communications, Inc.
Irvine, California
VIA FAX (714-543-3904)

Dear Pat and Jim:

Re the Technology Consortium (or possibly, the Pafeot Group), here are the names of those from our organization who will be actively involved and will serve on the Agenda Committee and/or the Representative Committee:

Ms. Myrta Pulliam
Assistant Managing Editor
The Indianapolis Star
307 N. Pennsylvania Street
Indianapolis, IN 46204
Phone: 317-633-9473
FAX: 317-633-9423

AND

Mr. Howard Finberg
Senior Editor -- Information Technology
The Arizona Republic
120 East Van Buren Street
Phoenix, AZ 85004
Phone: 602-271-8248
FAX: 602-271-8910

Our representatives on the Board would be:

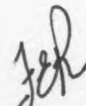
Mr. Malcolm W. Applegate
President and General Manager
Indianapolis Newspapers, Inc.
307 N. Pennsylvania Street
Indianapolis, IN 46204
Phone: 317-633-9135
FAX: 317-633-9331

AND

Mr. Louis A. Weil III (probably better known as "CHIP")
Publisher and CEO
Phoenix Newspapers, Inc.
120 East Van Buren Street
Phoenix, AZ 85004
Phone: 602-271-8478
FAX: 602-271-8340

I have nominated the above on the basis of two metropolitans (not one) which was the decision of the enabling group at our November 08th meeting.

I assume that Pat will call a meeting of his group for January and then all of us would meet in Phoenix in late February. If that is the consensus, please confirm it with me. Then, we will begin work on a somewhat satisfactory date for the latter meeting including hotel rooms, golf courses, tennis courts and a meeting spot (hopefully, at the R&G).



Frank E. Russell

FER/mkp

cc: Mr. Applegate
Mr. Weil
Ms. Pulliam
Mr. Finberg ✓
Mr. Oppedahl
Mr. Caperton (Mg Ed of Star)

FREEDOM COMMUNICATIONS, INC.

17666 FITCH • IRVINE, CA 92714-6022 • TEL (714) 553-9292
FAX (714) 474-7675 • REPLY TO: P.O. BOX 19549 • IRVINE, CA 92713-9549

JAMES N. ROSSE
President
Chief Executive Officer

December 17, 1993

Frank Russell
President and CEO
Central Newspapers
135 N. Pennsylvania St., Ste. 1200
Indianapolis, IN 46204

Dear Frank:

I am writing to let you know what has been going on to take Pafeot to its next stage of development. I have talked with several of you, but time has not permitted nor did I think the matters justified extensive consultation. It seemed less important that we dot all of the i's and cross all of the t's than it is just to get started with something we can shape as we go along.

You will be pleased to know that the acronym "Pafeot" now has an alternative interpretation — Primarily Affiliated For (the) Exploration Of Technology. Now if we can just think of an easy way to explain its pronunciation ("paf" with the a spoken as in "hat", and "fet" for feet with the e spoken as in "set;" in combination, "pafet.>").

As we agreed at our November meeting, Erwin Potts and I made contact with Robert Decherd and Burl Osborne at Belo. We are pleased to report that Belo will be joining us to round out our membership at six companies. Erwin and I believe that we ought not be interested in further recruitment, at least not for the present. What do you all think?

I have received the names of three company representatives:

Pat Irestone, Cowles
Sylvia Sitters, McClatchy
Dick Jablonsky, Freedom.

I have asked Pat Irestone to take the lead in convening and coordinating the representatives group as its first chairman. He will be calling you whose companies are missing from the above list to get the other three names.

JER.
12-22-93

It seems to me that our organization is likely to settle out along the following lines:

- A board (the Pafeot Board?) consisting of the six CEO's or their representatives. The Board would be responsible for setting policy and approving programs, assessments, and budgets. It should meet no more than quarterly; semi-annual meetings sound about right when things get underway.
- A committee of representatives (RepComm?) that will be responsible for initiating programs, managing our collective efforts, and contracting for or employing whatever persons or agencies are needed to carry out programs. This group will need to meet more frequently, perhaps monthly to begin with.
- A consultant/employee who will act as an "association executive" in taking a leading responsibility in our enterprise.

I think this setup is consistent with what we had in mind in our Irvine meeting, or close enough so that we can get to the desired point fairly quickly. Obviously, all of these matters will be on the table at our February meeting in Phoenix, but it seemed to me that we needed to get started somehow and that this was a reasonable way to begin.

I had this structure in mind when I asked Pat Irestone to take the lead in convening and coordinating RepComm. If we are going to have a productive meeting in Phoenix in February, RepComm will need to meet as early as possible in January to help put an agenda before us.

I also had this structure in mind when I went one step further and asked Alan Flaherty to serve as a consultant to help Pafeot get started. As you can see from his resumé (attached), Alan is a media consultant with a body of experience that should prove useful. Several of us who have worked with him think he is a careful person with good judgment and imagination.

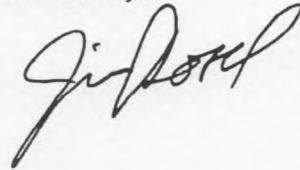
My agreement with Alan is very simple: He will help us get Pafeot started. He will bill me on an hourly basis for his time (plus expenses) at his regular rate of \$180 per hour and will work on an as-needed basis. He is perfectly happy with his present consulting practice, so there is neither assurance of nor exclusion from his playing a longer term role with Pafeot. The Pafeot Board will need to consider how he will be compensated (if at all) beyond February and whether or not to reimburse Freedom for my commitment to him. I have put Pat Irestone in contact with Alan Flaherty and have asked them to take the initiative in getting RepComm started.

I think we agreed that Frank Russell will take the lead in getting the Phoenix meeting organized, including setting the agenda. I presume Frank will want to talk with Pat Irestone in this regard.

Finally, although I am pleased to help get Pafeot started, I do hope we get a newsletter started soon so that I can quit writing these long letters!

Please call or write if you have suggestions or concerns regarding these matters. Also, please accept seasons greetings and my best wishes for the new year.

Sincerely,

A handwritten signature in cursive script, appearing to read "J. J. Ford".

attachment: Alan Flaherty's resumé.

cc: Alan Flaherty
Pat Irestone, Cowles
Sylvia Sitters, McClatchy
Dick Jablonsky, Freedom.

Biographical Information

Alan Flaherty

Alan Flaherty is a consultant to media businesses, with executive experience in newspapers, cable television, and subscription television. He is founder and president of ComPlan Incorporated, a Los Angeles-based consulting firm that has assisted more than thirty media companies in developing new operating strategies, facilities and business lines since 1985. His major ComPlan programs have included the following:

The (Cleveland) Plain Dealer: Mr. Flaherty provided the major operational consulting for a \$200 million new plant, to be completed in early 1994. His scope included development of multi-part daily printing with in-plant assembly, mechanized storage and retrieval, distribution centers, and 100% cart-oriented shipping of the newspaper. It also included reorganization of the circulation and information services departments, and migration of business applications to Unix platforms.

The Orange County Register: Mr. Flaherty has assisted The Register in a series of assignments over a five-year period. In one, he developed production schedules and procedures that permitted The Register to defer indefinitely a \$60-million investment in a second print site. In another, he directed an in-house team in developing long-term information strategies leading to investments totalling more than \$10 million in new systems. In a third, he guided the consolidation an acquired group of free-circulation weeklies into the structure of The Register. In a fourth, he guided an in-house team in devising the manufacturing and distribution criteria for existing and new families of products.

BellSouth: Mr. Flaherty prepared analysis and projections of the broadly-defined directory market, both print and electronic segments.

Pacific Bell Directory: Mr. Flaherty prepared a plan for complete renewal of prepress operations and facilities.

R. R. Donnelley & Sons Company: Mr. Flaherty served as primary consultant for an ultimately terminated effort by the world's largest commercial printer to develop and operate newspaper-printing plants.

The (Albany, NY) Times Union: Mr. Flaherty guided development of a strategy for renewing all text and image processing systems, and assisted in implementation of that strategy.

The Chronicle Publishing Company: Mr. Flaherty assisted in identifying and evaluating potential newspaper acquisitions, including the Worcester, MA, papers acquired by Chronicle in 1986.

The San Diego Union-Tribune: Mr. Flaherty guided development of a plan for a new packaging center to complement the offset press capabilities of a landlocked 1973 production plant. The plan included large-scale winding technology for storage and shipment of ROP products between press and packaging facilities.

Mr. Flaherty began his career in 1965 with the New York Daily News. There he developed and directed facilities projects totalling more than \$50 million, including the Daily News's first mechanical inserting plant, a new printing plant, and conversion of the newspaper from hot type to photocomposition and electronic text processing. He was also a line manager of production activities, rising to assistant director of operations.

In 1979, Mr. Flaherty joined Colony Communications, Inc., the cable television subsidiary of the Providence Journal Company, as vice president and director of operations, with full P&L responsibility for 90,000 cable subscribers in five states. During his incumbency, Colony established local newscasts in its larger markets and initiated successful franchising efforts in California.

In 1981, Mr. Flaherty joined Golden West Entertainment, Los Angeles, as vice president and general manager of a multi-city subscription television service operating its own satellite-delivered programming service. In that capacity, Mr. Flaherty negotiated some of the first pay-TV broadcasting rights for professional sports events, including NBA basketball and championship boxing matches.

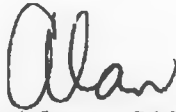
After leaving Golden West in 1982, Mr. Flaherty began his consulting activities as western regional director of Kalba Bowen Associates, a Massachusetts-based firm specializing in electronic media and communications technologies. At Kalba-Bowen, he prepared the financial plans for the ultimately-successful application for a national license to provide cellular phone service in Canada and co-directed (with firm president Kas Kalba) one of the first major studies of the potential of fiber optics in local communications. As director in consulting in 1983 and 1984, he led the firm's practice in the forecasting of growth patterns in new communications technologies.

Mr. Flaherty holds a mechanical engineering degree from Cornell University, where he also served as managing editor and editor-in-chief of The Cornell Daily Sun, an independent newspaper published by students. He was commissioned in the US Naval Reserve following graduation, and he served at sea for two years in engineering and communications assignments. He has been a speaker at many newspaper-industry and electronic media functions.

ComPlan

*Telefax for Howard Finberg
Pafeot Agenda
Page 1 of 7 (incl att)*

January 12, 1994



From Alan Flaherty (phone: 310-286-9684; fax: 310-286-9685)

To Dean Blythe, VP/Business Development, Dallas Morning News
Howard Finberg, Senior Editor/Info Technology, The Arizona Republic
Pat Irestone, VP/Development of New Business, Star Tribune
Dick Jablonsky, VP/Information Systems, Orange County Register
Nick Penniman, Publisher, Post Dispatch
Sylvia Sitters, Admin Asst/Info Services/Marketing, McClatchy Newspapers

This package will follow-up Pat Irestone's faxed memo earlier this week and provide you with some additional information concerning the Pafeot meeting next week. It includes a tentative agenda Pat and I have developed, plus some background material supporting the agenda.

If there is anything you wish to discuss prior to next Monday, please call or fax me at the above numbers. A good time to reach me is generally around 7 a.m., Pacific time. I'm looking forward to meeting those of you I've not already met, and to exploring with you how six medium-sized companies can establish some synergies in addressing new technologies.

Logistics

Many of you are probably familiar with Orange County geography, but I'll mention a few points. Pat has made reservations for all of us for Sunday night arrival at the Le Meridien hotel, 4500 MacArthur Boulevard, Newport Beach. It is just a few minutes by cab from the Orange County Airport, and there will be enough locally-based cars to take care of any transportation associated with the meeting. If you will be flying to/from Los Angeles Airport, you will have a minimum 50 minute drive between airport and hotel. From LAX, take the 405 Freeway south to MacArthur Boulevard, and MacArthur south to the hotel.

I'll reserve a breakfast table for all of us in Cafe LaFleurie at the hotel at 7:45 a.m., and we'll leave for the Freedom offices at about 8:30 or a little later.

If any other directions are desired, please call me.

ComPlan**Pafeot Organization/Agenda**

Page 1 of 6

January 12, 1994

Alan

From Alan Flaherty (phone: 310-286-9684; fax: 310-286-9685)

To Pafeot RepComm Participants

This memo is written to provide some foundation material for the Pafeot meeting next week. I'll start with a proposed agenda, and then provide supporting materials for some of the agenda items.

Meeting Agenda, January 17-18

Pat Irestone and I have developed the following initial agenda. He will chair the administrative aspects of the meetings, and he has asked me to act as facilitator in the substantive discussions so that he can be a full participant in them. The meeting location and schedule will be as outlined in his letter earlier this week. We'll begin at 9 a.m. Monday at the Freedom Communications headquarters. Here are the items and sequence we have identified.

- ✓ 1. **Meeting Structure:** Review the agenda and discuss any clarifications or adjustments to plans.
- ✓ 2. **Keynote Comments:** Jim Rosse will discuss the background of Pafeot and present any other material he wishes to share.
- ✓ 3. **Structural and Procedural Issues:** Discuss mission statement, organization, financial issues and communications program. (We may defer some of this discussion until after the more substantive items on this agenda.)
- 4. **Personal and/or Company Beliefs:** Each committee member will be asked to state personal and/or company beliefs concerning the direction of communications technologies and markets, and the implications of these developments on existing newspaper businesses. We'll go around the table one belief at a time until everyone has expressed all he/she wishes. The objective of this session will be to identify similarities and differences among the various companies and to begin the process of reaching a shared agenda for technological explorations.
- 5. **Company Resources and Objectives:** Each Committee member will describe his/her company's resources and objectives concerning use of

CHANGES
in COMPANY
Scattered
EFFORTS
"Ecological"

January 12, 1994, 8:46, PI 401c

new technologies. A possible outline for this resource-inventory presentation is included with this memo, but representatives are invited to use their own discretion in structuring their presentations. Each presentation should be limited to approximately 15 minutes. An overhead projector and a VCR/TV will be available; any other audio-visual equipment can be provided on request. The objective of this session will be to identify the foundation on which Pafeot efforts will be built and the company objectives which Pafeot will be addressing.

6. **Technological Overview:** I shall present a brief overview of communication-related technologies, covering both electronic distribution and physical distribution. During the overview, each committee member will be invited to comment on personal or company experiences and/or plans with the technologies mentioned. The objective of this session will be to develop a preliminary catalog of combined experience and interest in the various technologies.
7. **What's Next:** We'll discuss how the information already shared can be used to develop a Pafeot program. The objectives of this session will be the following:
 - a) Establish a Pafeot administrative structure for recommendation to the Directors;
 - b) Establish an agenda and assign responsibilities for a productive Directors meeting in February;
 - c) Identify topics and assign responsibilities for the initial Pafeot investigations;
 - d) Establish a schedule and budget for the above; and
 - e) Structure a proposal to the Directors for approving initial programs and funding, and to assign responsibilities for completing the proposal.

I believe we should be able to get through items #1 through 6 on this first day, with the lunch break approximately between items 4 and 5. I don't think we'll have any trouble in filling up the second morning with item #7.

Structural Issues

This section will expand upon the brief references to the mission and structure of Pafeot as presented in the Jim Rosse letters surrounding the November meeting. The following items can serve as a starting point for formalizing a mission statement and an organizational structure for recommendation to the CEOs at their meeting planned for February.

ComPlan

Pafeot Organization/Agenda

Mission Statement

The mission of Pafeot shall be to apply pooled resources to the development, ~~and presentation~~ of ~~technology-related~~ information that will permit the member companies to make better (*individual*) decisions concerning the future of their businesses.

using new technologies
and marketing
market

Organization and Functions

The **Board of Directors** shall be composed of the Chief Executive Officers of each of the member companies. The Board shall have at least two and no more than four regular meetings annually. CEOs unable to attend a particular meeting shall be encouraged to send a senior-management replacement. The Board shall be the policy forum for the group. It shall provide guidelines for the Program Committee in developing programs, and shall approve all budgets and assessments associated with the Group. All commitments to external entities shall be subject to review and approval by the Board. The Board shall have a Chairman, whose term shall be no longer than one year, and who shall be responsible for guiding the Program Committee between Board meetings.

Operating
 The **Program Committee** shall be the major operating unit of the Group. It shall consist of one representative of each member company, designated by the company. Each company may also send one additional person to each Program Committee meeting; that person shall be permitted to participate fully in the meeting, but shall have no vote on any matter submitted to vote by the Committee. The Program Committee shall meet no less than six nor more than 12 times annually at various locations to be selected by the Committee. Subject to guidelines and approval by the Board, the Program Committee shall implement the Group's mission. Individual Program Committee members shall take a substantial role in shaping and conducting the research and analysis tasks identified by the Committee, and the Committee as a whole shall be responsible for preparing and presenting recommendations to the Board. The Committee shall, subject to Board guidelines, engage and utilize appropriate consulting resources to accomplish Pafeot objectives. The Program Committee shall have a chairman, whose term shall be no longer than one year.

Can send an alternate

The **Program Coordinator** shall be the administrative control and continuity point for Pafeot, with responsibility for ensuring smooth communications and productive meetings. This role shall include the typical secretarial functions with respect to the Program Committee.

separate out adm from execution

The role might be filled by the Program Committee chairman, by some external resource, or by some combination. The Committee should address this issue at its first meeting.

or accountants
separate corporation

The **Treasurer** shall be the financial control point for Pafeot, with responsibility for collecting and disbursing money in accordance with Board of Directors guidelines. I recommend that the Treasurer role be filled by a financial executive in one of the member companies. The Program Committee should address this issue at its first meeting, and recommend a financial structure to the Board.

One other issue to be addressed is security. While I imagine the member companies are willing to discuss their current activities in considerable detail, there probably are limits on the extent to which they wish to disclose their future plans. As electronic communication lowers the regional boundaries that have traditionally structured the newspaper business into largely non-competing segments, the member companies may find themselves in at least peripheral competition with one another. I believe security and disclosure issues should be an agenda item for the Board. As a point of departure, I believe that the companies can prudently share their experiences and perceptions concerning markets, product and technologies without necessarily indicating what they plan to do in these areas.

Financial Issues

As I perceive it, Pafeot should have its own checking account, which should be controlled by a financial executive from a member company. I don't think the financial activities of Pafeot will be very time consuming, and it would probably be desirable to have them remain with one person on a more-or-less permanent basis. I propose the following as a starting point for financial guidelines:

1. Pafeot shall be supported by equal assessments on each member company. The initial assessment shall be for 75% of the projected first-year budget. Subsequent assessments shall be made semi-annually.
2. Member companies shall be directly responsible for the individual expenses of their own employees when participating in Pafeot activities.
3. Wherever possible, Pafeot meetings shall be scheduled at facilities of member companies, and such facilities shall be provided at no cost to Pafeot. Pafeot shall pay for cash meeting expenses. *What's the appropriate guideline for individual-vs.-group meal expenses?*
4. Pafeot shall pay for consulting fees and expenses in accordance with Board-authorized agreements between Pafeot and such consultants.

5. Pafeot shall pay for information services and/or program participation as authorized by the Board of Directors.

Ongoing Communications

One Pafeot task that's clear from the early documents is creation of an ongoing process for sharing information among member companies. A newsletter has been mentioned, but not detailed. We might also establish an electronic bulletin board. The communications mechanism(s) should be a topic for the Program Committee meeting.

I'm offering the following ideas as a point of departure for discussion at the meeting. As I perceive it, we have two types of information to share with one another:

1. Reporting on specific activities undertaken under Pafeot auspices; and
2. Pafeot-related information we see or hear in the course of our general activities.

The Pafeot-specific materials will tend to be longer and more structured; they should probably be produced in print form for distribution to at least several people in each member company. The other information might be very brief and fragmentary; I believe an electronic bulletin board might be the best way share it with minimum burden on the originator.

Under any circumstances, I believe we should establish some periodic print publication. Call it a newsletter, or call it a series of reports. Each document might contain one major piece providing substantial information and analysis concerning a particular issue, plus some shorter items which I'll term snapshots. The major piece would be the **responsibility** of a designated program committee member, but much of the actual time and work might be provided by others, including consultants as appropriate. Presumably, there would be a budget for consulting designated at the time an issue is identified for study and reporting.

Guidelines for Resource Inventory Presentations

As mentioned in item #5 of the agenda, the resource inventory presentations by each of the represented newspapers should be designed to establish the baseline of resources available for pooling, upon which Pafeot should build its technological explorations.

One issue underlying Pafeot's mission statement is the balance between physical and electronic distribution technologies. While electronic distribution is likely to dominate in the long run, the two-to-five-year time-frame identified as the center for Pafeot attention may involve more activity in the physical-distribution arena than in

ComPlan

Pafeot Organization/Agenda

the electronic. The committee should discuss the appropriate balance between the two. I have tried to phrase the following questions to be addressed in the resource inventories to accommodate both distribution modes.

1. What do you perceive to be the core competencies and operating assets of your newspaper businesses, and how do you expect these competencies/assets to evolve?
2. What primary information gathered by your newspaper has marketplace value, and to what audiences does it have value?
3. What are the marketplaces of buyers and sellers in which your newspaper has a role, and how do you rank these marketplaces in terms of current and potential long-term value?
4. Where are the most valuable specific synergies between news/editorial and advertising content in your newspapers, and what are your ideas concerning migration of these synergies to other distribution technologies?
5. What non-traditional newspaper activities are you pursuing, and how do you assess their potential for further development?
6. What alternative means might be used to deliver to its target audience the valuable primary information gathered by your newspaper?

ASA
 FAX
 Home
 (Ad Supp)
 Books

on-line ; internet
 Data Disc (CD-ROM)
 At your service

Pressline -
 INI - weekly

c/s
 pag; Front-end
 fax - xmas lites

= Address specific
 = TMD

Audio - 900

New venture

4

Patrick P. Irestone
Vice President, New Business Development
(612) 673-7285 FAX: (612) 673-4359
425 Portland Avenue
Minneapolis, Minnesota 55488-0002

Star Tribune

MINNEAPOLIS • ST. PAUL

January 11, 1994

Howard Finberg
Senior Editor, Information Technology
The Arizona Republic
120 East Van Buren Street
Phoenix, AZ 85004

Dear Howard:

The first meeting of the PAFEOT Repcomm group is set for January 17-18, 1994. Dick Jablonsky has agreed to host the meeting at the Freedom Communications Inc. headquarters in Irvine, CA.

I've agreed to function as the acting chairperson of Repcomm for the first set of meetings.

Alan Flaherty has been engaged as a consultant for PAFEOT to facilitate and coordinate the group and provide content support to the work of PAFEOT.

The logistics for the meeting are:

- o January 17, 1994 (Monday)
Meet 9 a.m. to 4:30 p.m. with lunch served.
Dinner at 7 p.m.

- o January 18, 1994 (Tuesday)
Meet 9 a.m. to 1:30 p.m. with lunch served.

- o Meeting will be held at:

Freedom Communications Inc.
Corporate Offices
17666 Fitch
Irvine, CA 92714

- o Mary Harding (Jim Rosse's assistant) is a point of contact for messages, etc.
Her phone number is 714/253-2308.

- o Hotel reservations have been made in your name at:

Le Meridian Newport Beach Hotel
4500 MacArthur Blvd.
714/476-2001
Confirmation #: 18373
Guaranteed for late arrival

I've enclosed a current list of PAFEOT members - both the Board of Directors and of Repcomm. Telephone numbers, addresses and assistants are indicated as well.

The purpose of our first meeting is to:

- o Attain alignment of PAFEOT and Repcomm purpose and mission.
- o Set an agenda for Repcomm and Board meetings, which would encompass such content as specific progress, budgets for PAFEOT, organization of activities, etc.

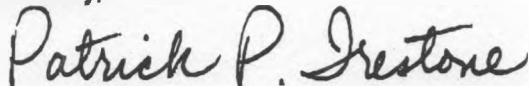
The next joint Board and Repcomm meeting is to be scheduled for late February.

Alan Flaherty and I have been working to set an agenda for our first meeting and would appreciate any input you may have. One thought was to have each Repcomm member share background and issues of their organization as it relates to the purpose and mission of PAFEOT. More to come on this - but you may want to begin thinking about it now.

As we get an agenda established - we'll get it to you - most likely around January 12, 1994 or so.

If there are any questions, please contact me or Alan Flaherty.

Sincerely,



Patrick P. Irestone

PPI/blk
Enclosure

**PAFECT
(PRIMARYLY AFFILIATED FOR THE EXPLORATION OF TECHNOLOGY)**

**P. Irestone
12/27/93**

BOARD

REPCOMM

Representative

David Cox
President & CEO
Cowles Media Company
329 Portland Ave.
Minneapolis, MN 55418
612/673-7014

Robert Dechard
Chairman & CEO
A.H. Belo Corp.
400 S. Record St.
Dallas, TX 75202
214/977-8277

Erwin Potts
CEO
McClatchy Newspapers Inc.
P.O. Box 15779
Sacramento, CA 95852-0779
916/321-1850

Michael Pulitzer
Pulitzer Publishing Co.
900 N. Tucker Blvd.
St. Louis, MO 63101
314/340-8428

James Rouse
President & CEO
Freedom Communications, Inc.
17886 Fitch
Irvine, CA 92714
714/253-2308
(Home: 714/854-4720)

Frank Russell
President & CEO
Central Newspapers
307 N. Pennsylvania St.
Indianapolis, IN 46204
317/231-8201
(Phoenix: 602/271-8208)

Louis Weil III**
Publisher & CEO
Phoenix Newspapers, Inc.
(Central Newspapers)
120 E. Van Buren St.
Phoenix, AZ 85004
602/271-8478

Assistant

Pat Corbid
Phone: 612/673-7015
Fax: 612/673-7020

**Brenda Williamson/
Ricky Conway**
Phone: 214/977-8279
Fax: 214/977-8209

Judith Brown
Phone: 916/321-1853
Fax: 916/321-1869

Ruth Hocott
Phone: 314/340-8425
Fax: 314/340-3127

Mary Harding
Phone: 714/253-2308
Fax: 714/474-7675

Mary Price (Indianapolis)
Phone: 317/231-8202
Fax: 317/231-8208
Nancy Pearce (Phoenix)
Phone: 602/271-8208
Fax: 602/271-8340

Nancy Pearce
Phone: 602/271-8208
Fax: 602/271-8340

Representative

Patrick P. Irestone*
VP - Development of New Business
Star Tribune
425 Portland Ave.
Minneapolis, MN 55488
612/673-7285

Dean Blythe
VP - Business Development
Dallas Morning News
P.O. Box 958237
Dallas, TX 75285
214/977-8246

Sylvia Sitters
Admin. Asst. Info Svc/Marketing
McClatchy Newspapers
2100 Q Street
Sacramento, CA 95816-6809
916/321-1832

Nicholas G. Penniman IV
Publisher
Post Dispatch
900 N. Tucker Blvd.
St. Louis, MO 63101
314/340-8432

Dick Jablonsky
VP - Information Systems
Orange County Register
625 N. Grand Ave.
Santa Ana, CA 92711
714/865-3950

Howard Finberg
Sr. Editor - Info. Technology
The Arizona Republic
120 E. Van Buren St.
Phoenix, AZ 85004
602/271-8248

Assistant

Barb Koeleman
Phone: 612/673-4109
Fax: 612/673-4358

Susan Svec
Phone: 214/977-8243
Fax: 214/977-8285

Lauri Widman
Phone: 916/321-1852
Fax: 916/321-1869

Mary Welsh
Phone: 314/340-8431
Fax: 314/340-3127

Cyndy Bradley
Phone: 714/863-7807
Fax: 714/550-9104

Margaret Graves
Phone: 602/271-8133
Fax: 602/271-8910

Alan Flaherty***
2304 S. Beverly Glen Blvd.
Los Angeles, CA 90064
310/286-9684
Fax: 310/286-9685

* Acting chairman of Repcomm
** Non-voting member of the Board
*** Consultant to PAFECT