

PAFET OPERATING COMMITTEE MEETING

Seattle, WA
July 18-19, 1995

HOTEL

Hotel Vintage Park
1100 Fifth Avenue (*corner of Fifth and Spring Streets*)
Seattle, WA
206-624-8000
fax: 206-623-0568

MEETING ROOM

Board Room (*Room 2121*)
RXL Pulitzer
2125 Fifth Avenue (*corner of Fifth and Blanchard Streets*)
Seattle, WA 98121

NOTE: *If someone needs to contact you during the meetings, have them call Ida Motoshige (206-441-7168)*

COCKTAILS/DINNER

Dinner Cruise on board "The Seeker"
port of embarkation: 1171 Fairview Avenue, North
boarding time: 5:30 PM
cruise: 6:00 - 9:00 PM

Charter Company: Blue Water Yacht Charters
2130 Westlake Ave., N. #1
Seattle, WA 98109
206-286-3618

ATTIRE

Since we will be meeting at the RXL Pulitzer offices, but probably be going directly to the boat for dinner, use your own judgement.

PAFET OPERATING COMMITTEE MEETING

Seattle, WA
July 18-19, 1995

ATTENDEES:

A. H. Belo Corp.
Jim Galli

Central Newspapers, Inc.
Howard Finberg
Myrta Pulliam

Cowles Media Co.
Martha Duckert
Bob Shafer

Freedom Communications, Inc.
Ginger Neal
Tom Porter

McClatchy Newspapers, Inc.
Chris Hendricks

Pulitzer Publishing Co.
Jeff Edwards
David Lipman

PAFET
Marla McDonald

Dinner Guests

Geoffrey Barker, RXL Pulitzer (Pulitzer Publishing Company)
Dennis Bracey, RXL Pulitzer (Pulitzer Publishing Company)
Tinsely Deibel (Dennis Bracey's wife)
Kelly Hamilton, RXL Pulitzer (Pulitzer Publishing Company)
Melissa Leuckel, KIRO Community Relations (A. H. Belo)
Nick Latham, KIRO Community Relations (A. H. Belo)
Pam Porter (Tom Porter's wife)

PAFET OPERATING COMMITTEE MEETING
Seattle, Washington
July 18-19, 1995

PROPOSED AGENDA

Tuesday, July 18th

(RXL Pulitzer Board Room)

- | | |
|--------------------|---|
| 8:00 AM - 8:30 AM | Continental Breakfast |
| 8:30 AM - 9:00 AM | Orientation |
| 9:00 AM - 12:00 PM | RXL Pulitzer Tour (see tour schedule) |
| 12:00 PM - 1:00 PM | Lunch
<i>- Views from Nexpo</i> |
| 1:00 PM - 2:30 PM | Developing Pafet's Strategic Plan: Mission
<i>- what are the current expectations of the member companies?</i>
<i>- what can we do as six that we can't do as one?</i>
<i>- how does Pafet work with the industry?</i> |
| 2:30 PM - 3:00 PM | BREAK |
| 3:00 PM - 5:00 PM | Developing Pafet's Strategic Plan: Mission (cont.)
<i>- who are Pafet's customers (current and potential)?</i>
<i>- what are their needs (current and potential)?</i> |
| 5:30 PM | Cocktails and Dinner Cruise |

RXL Pulitzer Tour Schedule

9:00 AM - 9:20 AM	Travel to Seattle Central CC WIT facility
9:25 AM - 9:45 AM	Presentation/discussion with key Spokane staff
9:45 AM - 10:30 AM	Presentation/discussion of Washington Interactive Television (WIT is a facility RXL operates in partnership with Washington's Department of Information Services)
10:30 AM - 10:45 AM	Return to Rockey Company
10:45 AM - 11:15 AM	CD-ROM demonstration
11:15 AM - 11:45 AM	Questions and wrap-up

PAFET

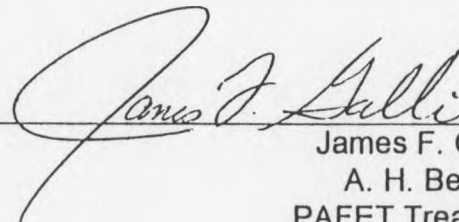
Partners Affiliated for Exploring Technology

Wednesday, July 19th (RXL Pulitzer Board Room)

- | | |
|---------------------|--|
| 8:30 AM - 9:00 AM | Continental Breakfast |
| 9:00 AM - 10:30 AM | Developing a Strategic Plan: <i>Structure and Organization</i> <ul style="list-style-type: none">- <i>What should Pafet expect from member companies?</i>- <i>What should be the role of the OpCom?</i>- <i>Should the OpCom continue to operate on a "voluntary" basis or should it involve more formalized assignments and expectations?</i>- <i>How should the OpCom interact with other committees?</i> |
| 10:30 AM - 11:00 AM | BREAK |
| 11:00 AM - 12:00 PM | Wrap Up <ul style="list-style-type: none">- <i>Plans for August Meeting in Minneapolis</i>- <i>Meeting Process/Effectiveness Review</i> |

PAFET Financial Summary 7/13/95

	Amount To Date	Annual Budget	Difference	Variance Notes
Member Contributions	\$300,000.00	\$945,278.23	(\$300,000.00)	
Administrative Expenses:				
Executive Director	\$54,196.57	\$114,750.00	(\$60,553.43)	
Travel/Meal Expenses	\$10,885.79	\$28,500.00	(\$17,614.21)	
Office/Admin. Expenses:	\$18,832.21	\$20,657.00	(\$1,824.79)	
Information Sharing Expenses:				
Committee Meeting/Meal Expense	\$12,440.56	\$12,000.00	\$440.56	
Communications	\$12,482.52	\$35,600.00	(\$23,117.48)	
Yankee Group	\$35,000.00	\$40,000.00	(\$5,000.00)	
Membership Fees	\$549.00	\$1,610.00	(\$1,061.00)	
Publications	\$2,549.00	\$17,665.00	(\$15,116.00)	
Project Expenses:				
Consumer Market Study	\$189,000.00	\$150,000.00	\$39,000.00	(Central to reimburse \$27,000)
University Liaison	\$1,210.49	\$125,000.00	(\$123,789.51)	
CD-ROM	\$7,005.75	\$20,000.00	(\$12,994.25)	
Online	\$16,620.37	\$45,000.00	(\$28,379.63)	
Real Estate	\$9,825.05	\$12,500.00	(\$2,674.95)	
Regulatory Tracking	\$626.15	\$12,200.00	(\$11,573.85)	
Standards Consortium	\$0.00	\$4,500.00	(\$4,500.00)	
Total Expenses:	\$371,223.46	\$639,982.00	(\$268,758.54)	
Interest Income	\$6,819.66	\$0.00	\$6,819.66	
Bank Charges	\$51.28			
1994 Balance Forward	\$345,278.23			
Net Partnership Balance (Deficit)	\$280,823.15	\$305,296.23	(\$24,421.80)	
Bank Balances:				
Money Market Account	\$273,822.57			
Operating Account	\$7,000.58			
Proof	\$280,823.15			



James F. Galli
A. H. Belo
PAFET Treasurer

Mission Statement

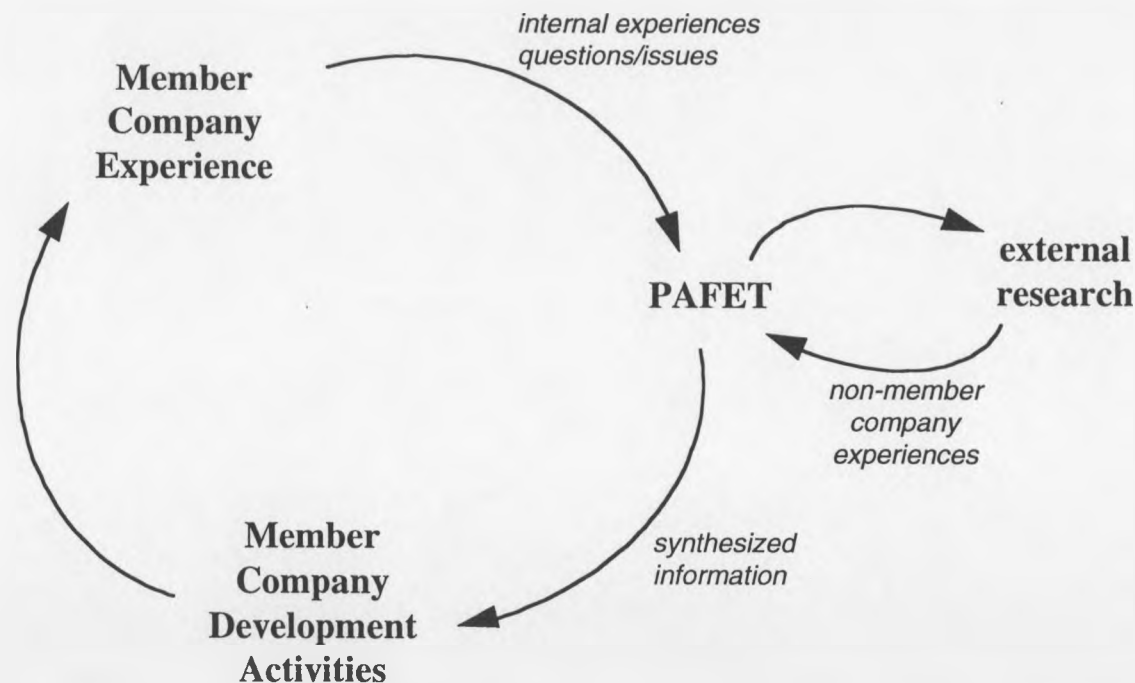
The mission of PAFET shall be to assist individual member companies in the development of mechanisms for presentation and marketing of information using new technologies, in order to help the member companies make better individual decisions concerning the future of their businesses.

PAFET is not intended to be a development or operating entity, but rather will provide information, experience and analytical support for the activities of its member companies.

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Partners Affiliated for Exploring Technology

Pafet was designed to support a cycle in which member-company experiences are fed out to Pafet, which supplements this information with research resources and information gathered about non-member experiences, and then moves synthesized information back out to the member companies where development occurs, which in turn will lead to further member-company experiences



Original Objectives

- *Identify current newspaper business segments that may be vulnerable to products and services that employ emerging technologies*
- *Identify opportunities that may be created by emerging technologies to extend current franchise or enter new businesses by leveraging existing strengths*
- *Identify key technology areas and developments that are changing the current landscape and could result in competitive threats to and present business opportunities for member companies*
- *Formulate a plan for Pafet to serve as facilitator for development activity at member companies based on the vulnerabilities, opportunities and technologies identified*
- *Prioritize Pafet action items to ensure that resources are applied to projects offering the greatest potential for creating new value-added products and services*

1994 Activities*

- *Identify threats and opportunities*
 - *identify key business and market segments*
 - *assign segments to OpCom members to guide work in identifying threats and opportunities*

- *Identify technological areas and developments*
 - *assign technologies to OpCom members to study and track*
 - *track developments and emergence of new technologies (Yankee Group)*
 - *revise technology assignments*

- *Identify and track players and alliances*
 - *identify current and potential information service/ advertising industry players*
 - *analyze external alliances*
 - *identify potential internal alliances*

- *Establish methods for Pafet to serve as facilitator for member-company development*
 - *establish communication lines*
 - *organize, edit and synthesize information Pafet obtains from member companies, research affiliations and other outside sources*
 - *monitor member company development efforts*
 - *disseminate information collected*

FY '95 Goals*

- *Further develop Pafet's role as a development facilitator*
 - *Prioritize activities*
 - *Manage active/passive projects*
 - *Create a new project initiation process*

- *Expand communications within Pafet*
 - *Build on current communication mechanism*
 - *Support internal communication mechanisms at member companies*
 - *Develop Pafet-sponsored seminars*

- *Heighten Pafet's visibility in the industry*

1995 Accomplishments

- *Expanded and developed Pafet's infrastructure*
 - *hired a full-time Executive Director*
 - *added alternates to the Operating Committee*
 - *sponsored workshops/seminars*

- *Shifted from a process to project orientation*
 - *reassessed priorities and assignments*
 - *identified potential resources*
 - *completed several projects/activities*

PROJECT	TYPE	STRATEGIC
Wireless	Investigation	
University Liaison	Investigation	
Consumer Marketing Survey	Research	yes
Microsoft	Investigation	
Online Workshop	Education	yes
AP	Investigation	yes?
Real Estate Workshop	Research/Education	yes
Graphics Sharing	Operations	
CD-ROM	Research	

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Partners Affiliated for Exploring Technology

June 15, 1995

TO: Pafet OpCom
FROM: Marla McDonald

SUBJECT: Tracking Assignment for July OpCom Meeting

* * * * *

As we discussed this week, we will be reviewing our objectives and priorities at July's OpCom meeting in Seattle. In order to have a productive discussion, we agreed that each OpCom rep should be prepared to discuss the following questions relative to their assigned technology/market area(s):

What is the definition/scope of this area?

- what should included? what should be excluded?
- does this area need to be segmented to be handled effectively? if so, how?

Why is this area important?

- does it represent a threat? an opportunity?
- what are some of the key issues (market, technology, business) in this area?
- what is the urgency for addressing this area?
 - relative to pending business decisions
 - relative to competitive pressures
 - relative to impending changes

I would suggest preparing a short hand-out outlining the answers to these questions that I can distribute in the briefing book prior to the meeting. I think this will help us discuss each area from a common perspective.

Please contact me if you have any questions, or you need help researching the questions or preparing the material.

MEMORANDUM

To: Pafet OpCom
From: Myrta
Date: 7/10/95

Definition/scope:

Classifieds (both liners or in-paper and display classifieds) covering transportation used by the consumer: Cars (new and used), trucks, boats, motorcycles, RVs and campers, vans, antique cars

I'm not sure what to do with these: bicycles, snowmobiles, jet skis, auto parts, farm equipment.

I'd leave out items too large for consumer use, or where niche or area of interest is too low: not buses, semi trailer trucks, large yachts, horses, airplanes.

Segments: There are some specialized areas already in existence, such as antique cars and specialty cars (Corvette clubs) which have their own networks and publications.

Threats:

- Before long, people will be able to log onto the Internet or a BBS or commercial service and buy a car. That already exists to some extent. Which means they can bypass the newspaper.
- Trader – Has a local BBS system
- Ease of entry
- Internet

LOCAL sites: We could only find two (One is the service we are contracting with and they had one car; their postings are free

NATIONAL sites:

- Classifacts – Not really a threat? Many people won't go far to buy the average vehicle.
- Quest Network – This company began in Kendallville, Ind., with an idea for searching for cars (and other vehicles). They have been purchased by the Milwaukee Journal and now are trying to expand to employment and real estate. A caller talks to a live operator and gives the operator search criteria and after the operator does the search, mails or faxes back the "hits." The information is free to the caller; the advertiser pays. They have 140 clients so far, mostly shoppers in Ohio, Pennsylvania and Wisconsin (Not the Milwaukee papers, but some Thomson papers).

Opportunities:

Myrta Pulliam

DIRECTOR OF ELECTRONIC NEWS & INFORMATION

Key issues:

Geography is an issue. Each market is different in specifics, but as an example, in Indianapolis, people will only travel about 30 miles to buy a car. Which means a regional service might not be of much value. People seem to travel farther for specialty items, like Corvettes or antique cars, but those are narrow markets and already have products and networks established.

Competition and who is the customer is an issue: Would we be perceived as competing with the auto dealers? On the other hand, dealers can already (and have already) set up Web sites. More and more manufacturers are going to offer electronic information, such as Internet home pages with specs.

If local dealers create home pages (assuming that their manufacturing parent creates a home page) do we link to them?

Urgency:

Can we determine the urgency without more understanding of how people buy cars?


Myrta Pulliam

DIRECTOR OF ELECTRONIC NEWS & INFORMATION

317 • 633 • 9473 FAX 317 • 633-1220 E-mail MyrtaP@AOL

The Dallas Morning News

Business Development

DATE: July 12, 1995
TO: PAFET Operating Committee
FROM: James F. Galli 
SUBJECT: Education Tracking

Scope:

The tracking of developments in education specifically related to NIE programs and broadcasting; including online developments in primary and secondary schools. Not included are the "kids" or "kids games".

Although education broadcasting could be viewed as a market segment, the tight integration of these areas: NIE, broadcasting and online probably preclude segmentation.

Importance:

To capture a share of the market by cultivating loyalty in young readers/viewers to something beyond the local masthead. This may well ensure the future of our franchises.

Key Issues:

How to integrate newspaper NIE curriculum with the online and broadcast content.

How to generate revenue and measure success in this new arena.

Wire Service Project

Sponsor: Bob Schafer

June 26, 1995

Definition and scope: This project is to meet with representatives of the Associated Press, plus potentially other wire services and newspaper syndicates, to discuss the licensing of their content for electronic publishing, to raise newspaper concerns and to provide feedback to the wire services and syndicates. After an initial meeting with AP representatives, the project will be carried out through the establishment of an advisory committee to the AP. PAFET's involvement is to help select the members and organize the committee, in conjunction with AP. After that, the committee is expected to function on its own, without direct PAFET involvement. PAFET-member newspapers will be represented on the AP advisory committee, but will be a minority of the members.

The areas to be covered include all aspects of AP content and services for online publishing, including articles, photos and graphics and also including AP-originated content and content contributed by AP member newspapers. The scope also includes talking with AP about its furnishing its content for electronic publishing by nonmembers and associate members.

Importance:

- ▶ AP's initial attempts to place major restrictions on its content.
- ▶ AP's initial attempts to keep AP content out of electronic archives.
- ▶ AP's continuing limits on the use of its photos.
- ▶ AP's future pricing decisions.
- ▶ AP's requiring Web sites to restrict access to its content.
- ▶ The prices syndicates are trying to charge for electronic publishing rights.
- ▶ The possibility that AP may license its material for use by direct newspaper competitors, including online services competing with newspapers.

PAFET

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July 14, 1995

TO: Pafet Operating Committee

FROM: Myrta Pulliam, Transportation Market Project Sponsor

SUBJECT: Automotive Classified Survey

* * * * *

I have been trying to determine what potential activities we should pursue related to automotive classified market. I discussed the issue with the classified manager here in Indianapolis who said that he would be most interested in learning what the auto dealers want. Our advertising manager was interested in understanding the buying process from the consumers perspective (how they shop, when they shop, what information they need, etc.), which Marla and I have also discussed. We decided the best way to focus our efforts would be to find out what research has already been done and ask for input from the auto classified managers at each of our companies.

Initially we thought we should focus on the following markets, with the idea that the list covers all the major markets and representative small and medium areas. However, any suggestions would be appreciated:

Colorado Springs
Dallas
Hilton Head
Indianapolis
Minneapolis
Orange County
Phoenix

Raleigh
Sacramento
St. Louis
Tacoma
Tucson
Vincennes

Would you please distribute the attached memo and survey to the appropriate people in your company, and let Marla and/or I know who those people are. Thanks.

July 21, 1995

TO: Auto Classified Managers @ Pafet Member Company Newspapers

FROM: Myrta Pulliam, Transportation Market Project Sponsor
Marla McDonald, Pafet Executive Director

SUBJECT: Automotive Classified Survey

* * * * *

Dear Auto Classified Manager:

PAFET has identified automotive / transportation classified advertising as both a threatened market and an opportunity to leverage technology and new media. We are interested in working in this area and would like your input on key issues and potential solutions that we should investigate.

At this time, all we need are answers to a few quick questions. Please complete the attached survey and fax your response to Marla McDonald at 214-977-6838. If you have any questions, please feel free to contact Myrta Pulliam (317-633-9473), Marla McDonald (214-977-7525) or your Operating Committee representative.

Thank you for your cooperation.

Sincerely,

Marla E. McDonald
Executive Director
PAFET

Myrta Pulliam
Central Newspapers
PAFET Online Project Sponsor

cc: PAFET Operating Committee

AUTOMOTIVE / TRANSPORTATION CLASSIFIED SURVEY

- 1) Has your paper or company done research (consumer or advertiser/dealer) regarding auto classifieds?

- 2) If so, what was done and when?

- 3) What kind of research would be useful?:
 - A) a study focusing on consumer buying patterns (how consumers shopped for cars, when they shopped, what research they needed, how they made decisions, etc.)
 - B) a study on auto dealers' needs
 - C) a study on technology applications in the automotive classified market
 - D) other (*please explain*)

- 4) Does such research need to be market specific or can valid conclusions be drawn from a single market or a national study?

- 5) What would be the most helpful thing we could do for you in this area?

- 6) What other issues/project(s) should we be exploring relating to auto classifieds?