

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:) **Chapter 11**
)
THE McCLATCHY COMPANY, et al.,) **Case No. 20-10418 (MEW)**
)
Debtors.¹) **(Jointly Administered)**
)
)
)

**MAYOR OF SACRAMENTO DARRELL STEINBERG’S STATEMENT OF
POSITION FOR INDEPENDENT OWNERSHIP OF THE SACRAMENTO BEE**

Darrell Steinberg, Mayor of the City of Sacramento, California, hereby submits his Statement of Position in favor of separate, independent ownership of The Sacramento Bee.

Dated: May 10, 2020

Respectfully Submitted,

MAYOR DARRELL STEINBERG,
Mayor of Sacramento, California

By: /s/ Darrell Steinberg
DSteinberg@cityofsacramento.org
915 I Street
Sacramento, CA 95814-2608
Telephone: (916) 808-5300

¹The last four digits of Debtor The McClatchy Company’s tax identification number are 0478. Due to the large number of debtor entities in these jointly administered chapter 11 cases, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent at <http://www.kcellc.net/McClatchy>. The location of the Debtors’ service address for purposes of these chapter 11 cases is: 2100 Q Street, Sacramento, California 95816.



STATEMENT OF POSITION

Sacramento Mayor Darrell Steinberg
Sacramento City Hall
915 I St.
Sacramento, CA, 95814

May 10, 2020

The Honorable Judge Michael E. Wiles
U.S. Bankruptcy Court, Southern District of New York
One Bowling Green
New York, New York, 10004-1408

Dear Judge Wiles:

For nearly as long as there has been a City of Sacramento, journalists from The Sacramento Bee have been keeping a watchful eye on what we do inside City Hall. In my current job as mayor of Sacramento, and in my former role as President Pro Tem of the California State Senate, I have experienced firsthand the paper's important role in exposing local and state officials who don't sufficiently safeguard the public treasury or the public trust.

The comprehensive coverage by The Bee during this coronavirus pandemic shows once again how integral it is to keeping the public informed, even with a fraction of the journalists it once employed. The Sacramento Bee published more than 1,000 stories related to the coronavirus between the end of February and April 30. Digital readership jumped by 150 percent in March.

It's far from the first time The Bee staff has rallied to provide this sort of blanket disaster coverage. The Bee and its sister publications in Fresno and Modesto are the largest source of original reporting for a vast stretch of interior California. When a dam was threatened with failure in Oroville, more than an hour away, The Sacramento Bee was the place that people turned to for the latest information. The paper has reprised this role in countless fires, including the one that destroyed the town of Paradise outside of Chico. It has brought the community together in good times and bad. Sacramento Bee journalists have won six Pulitzer prizes.

The Bee is now facing an existential threat. Many local journalism outlets around the country have already been diminished beyond recognition. Others have disappeared entirely; at least 1,800 newspapers have been closed or merged since 2004. In March, a robust alternative publication in Sacramento, the News & Review, suspended print publication. Even with the cuts it has endured over the past 15 years, The Bee remains the most significant source of original reporting and enterprise in our community. It needs to be bolstered and rebuilt, not milked for whatever profit it can still produce.

Like all newspapers, The Bee has seen its print circulation decline steeply, but its digital readership has never been higher. A diverse cohort of young, promising journalists is now covering the California state Capitol, education and City Hall. Philanthropic organizations have stepped up to fund enterprise reporting in the newsroom, and they are standing by to work with a new owner to increase that investment. Newsroom leadership has explored new models and launched a non-profit fund to make up for some of the cuts to editorial staff over the years. Philanthropic dollars currently pay the salaries of three journalists in The Sacramento Bee newsroom, 10 in Fresno and two in Modesto.

I would urge the bankruptcy court to consider what's best for our community and the larger Central Valley when weighing the competing bids for ownership of The Sacramento Bee and the rest of the McClatchy papers. We seek to ensure that The Bee and McClatchy's other California papers emerge from this process with California owners motivated primarily by a desire to serve the public interest, not the bottom line.

McClatchy owns 30 papers in 14 states, such distinguished mastheads as The Miami Herald, The Kansas City Star and the Charlotte Observer. The company is based here in Sacramento, yet the bankruptcy reorganization is being heard in New York City – far from the local markets that depend on this journalistic resource. I call on the mayors and other elected officials of all the McClatchy cities to join me in demanding that the public interest of each market is considered when the court decides who will run the company when it emerges from bankruptcy reorganization.

Sincerely,

Mayor Darrell Steinberg

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on May [REDACTED], 2020 a true and correct copy of the foregoing was electronically filed with the Clerk of the United States Bankruptcy Court for the Southern District of New York, and was served upon all parties eligible to receive notice through the Court's ECF facilities by electronic mail.

/s/ Darrell Steinberg
Darrell Steinberg,
Mayor, City of Sacramento, California