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May 6, 2009

By Facsimile and Mail

Mr. Tim O'Brien
President
The Newspaper Guild of Albany, Local 31034
890 Third Street
Albany, NY 12206

Dear Tim:

After being either unable or unwilling to meet for bargaining for almost three weeks, and having granted the Company a mere three hours on April 29 for that purpose, the Guild elected to spend that time not by presenting any new proposal on any of the issues that still separate us, but instead by suddenly dispatching a flurry of information requests – all but one or two of which asked questions about items that have been elements of the Company's proposal for several months.

At the end of the session the Guild also acknowledged that its position, particularly on the two core issues of subcontracting and layoffs, has not changed. You said you thought that the Guild's position would change, but declined to say how. The Guild also could not, or would not, agree to any more bargaining dates before May 13, when again the Guild will only meet for three hours in the evening.

Despite their questionable relevance, we will answer fully the few aspects of your requests that we were not able to address completely at the brief session on April 29. The most important question, however, is whether the parties can expect to reach an agreement on the remaining issues. That becomes increasingly difficult when the Guild cannot or will not meet with us, and considering that at the single meeting the Guild would agree to between April 9 and May 13, the Guild presents no proposal.

Several weeks ago the Company modified its proposals on seniority and outsourcing, to include more discussion with the Guild in advance of either event; to provide enhanced severance for those laid off out of seniority; and to eliminate some factors (such as union activity) from those decisions. We have not, as the Guild has noted, made any change to the core

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of either proposal, that is, to the Company's flexibility in selecting employees for layoff or functions to be outsourced. That discretion has been central to these proposals since negotiations began many months ago, and it remains an element that the Company is convinced it must achieve. We understand that the discretion the Company seeks is unacceptable to the Guild, but, as we have said repeatedly, we are unwilling to accept limits on those aspects of the proposals.

In George Hearst's April 17 letter, he wrote that these fundamental disagreements have persisted throughout negotiations, show no signs of being resolved, and that the parties are at impasse. Your April 21 letter in response claimed that the parties are "nowhere near" an impasse, but did not even question the premise of Mr. Hearst's letter: that the parties' differences on seniority and outsourcing are irreconcilable.

Instead, you wrote that there was no impasse because the Guild is willing to keep talking and making proposals. Even assuming that to be true (which the lack of offered dates suggests it is not), it is not the existence of dialogue and proposals that is important, but rather whether there is any realistic prospect of agreement. The Guild has demonstrated that it is not willing to accept our position, regardless of how much discussion there may be. The question is not whether the Guild is willing to keep talking; the question is whether that talking will lead to an agreement. You have given no indication that it will.

You also wrote that there is no impasse because there are open information requests from the Guild. We have substantially answered your questions, and will complete our supply of information this week.

Finally, you mentioned proposals concerning upgrades and advertising commissions "that remain on the table"; but the Company expressly rejected the Guild's proposals on those items and its position on those has not changed either.

As the newspaper industry continues to decline, and the challenges facing the Times Union continue to mount, the Company does not have the luxury of continuing with the Guild's new practice of meeting for a few hours every several weeks, with no prospect of an agreement. We have bargained with the Guild fully about every aspect of our proposal, and have made changes to it where we considered it prudent.


Accordingly, enclosed is another copy of our proposal, which remains the same as it was in April 9, with one adjustment, set forth on the final page: in the event the Company has to move forward with layoffs out of seniority order or outsourcing during a bargaining impasse, the Company will agree to bargain with the Guild over those decisions and their effects, rather than merely discussing those decisions. Our proposals for an agreement remain unchanged; the new language merely clarifies how the Company proposes to respond in the event of a bargaining impasse.

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You may consider this to be Company's best and final offer. We encourage you to present it to your membership for a vote. Failing that, or if you wish to discuss it further, we will plan to see you on May 13.

Very truly yours,



Mark W. Batten

Enclosure

cc: Mr. George Hearst
Peter Rahbar, Esq.

**Times Union Proposals for Newspaper Guild/CWA
Of Albany, The Newspaper Guild/CWA (AFL-CIO, CLC) (May 6, 2009)**

CAPITAL NEWSPAPERS DIVISION – THE HEARST CORPORATION (“Company” or “Times Union”) offers the following proposals to modify the AGREEMENT (the “Agreement”) with NEWSPAPER GUILD/CWA OF ALBANY, THE NEWSPAPER GUILD/CWA (AFL-CIO, CLC) (the “Union”). All proposals are made without prejudice and without conceding that the content of any proposal may represent an attempt to obtain rights not currently enjoyed.

1. **Term**

Preamble - Change effective date.

In Section 33 (Time Frames), modify effective date to August 1, 2008 and termination date to August 1, 2011.

2. **Limitation on Use of Part-Time/Temporary/Independent Contractors**

Replace Section 1. D. with the following:

The Company shall have the ability to use part-time employees and independent contractors to eliminate or displace a present staff position provided that the following conditions are met:

1. At least four (4) weeks in advance of any proposed transfer of work, the Company will give notice to the Guild, including the specific work to be outsourced, where it will go, and what the cost and other benefits would be compared to keeping the work in-house.
2. The Guild shall have the opportunity to make an offer to the Company to retain the work. The final decision on whether to accept the Guild’s offer shall rest with the Company.
3. The Guild shall have the opportunity to discuss with the Company voluntary transfers based on seniority or other relevant qualifications, how affected employees may be redeployed, and any plans for training redeployed employees. Where feasible, the Company will move the affected employees to jobs for which the Company determines they are suited based on abilities, skills, work history and educational background.
4. The parties agree to continue their practice of bringing new work to the Times Union by having Guild members take on work suitable to their skills from other newspapers. Employees will not be entitled to additional pay for such work, but will be eligible for overtime, if required by the Company and

pursuant to the terms of this Agreement. Advertising sales staff will continue to receive applicable commissions.

The Company shall not exercise this authority to outsource work for the purpose of discriminating against employees based on their membership in the Guild.

3. **Seniority**

Replace Section 3 D. with the following:

Before conducting any layoffs the Company shall provide the Guild with forty-five (45) days' notice and will attempt to negotiate a buyout agreement with the Guild as outlined in Section 6 G. of this Agreement. Such negotiations shall not operate to delay the planned reduction in force. If the Company and the Guild cannot agree on a buyout, or an insufficient number of employees apply for a buyout, then the Company shall conduct a layoff in accordance with the terms set forth below.

In determining the size of the staff, the Company shall give consideration to seniority as one, but not the only, basis for determining who is to be laid off for economy. In the event the Company elects to lay off employees out of reverse seniority order, any such lay off must be reviewed and approved by the Publisher individually. The Company shall also discuss the factors used for selection with the Guild. Such discussions shall not operate to delay the planned reduction in force. Union activity, age, salary level and prior merit pay shall not be a factor in these determinations.

Further, any employee laid off out of seniority order during the term of this Agreement shall receive an enhanced severance package consisting of the greater of the dismissal pay under Section 6, or the following: i) three (3) weeks' pay for every year of employment, up to a maximum of fifty-two (52) weeks pay; and ii) health insurance coverage, paid for by the Company, for the same period of time as the dismissal pay that employee will receive pursuant to Section 6 of this Agreement (e.g., if an employee receives twenty (20) weeks of dismissal pay, they will receive twenty (20) weeks of health insurance coverage), up to a maximum of fifty-two (52) weeks coverage. Employees with prior part-time service will have their part-time service included in the calculation of benefits.

Replace Sections 3 E., H., I. and J. with the following:

When the Company conducts a layoff pursuant to Section 3 D., such laid off employees shall be placed on a rehiring list for a period of one (1) year. In the event the Company rehires from this list, it will give due consideration, among other objective factors, to general competency, qualifications, ability to do the work assigned and length of service of any employee on such rehiring list, but first consideration will be given to the factor of general competency, as

determined by the Company. Such determination shall not be subject to the grievance and arbitration provisions of this Agreement. Throughout the term of this Agreement, the Company shall not fill a position (other than the positions excluded from this Agreement or new positions) by hiring, transfer or promotion without first considering the employees on the rehiring list. If the Company needs someone with qualifications not possessed, as determined by the Company, by any person on the rehiring list, the Company may go outside of the list with notification to the Guild. Such determination shall not be subject to the grievance and arbitration provisions of this Agreement. The Company shall supply to the Guild the names of those persons who are placed on the rehiring list, with the date of their discharge, and the Company shall notify the Guild when employees are hired from such list. Any such employee who is offered any employment by the Company and refuses it shall be removed from the rehiring list.

4. **Health Care**

Replace the first paragraph of Section 14. B. 1. with the following:

The Company agrees to provide the current (MVP Healthcare and BSNENY Dental) plans, or a comparable plan, covering medical, prescription drug and dental care benefits for employees and eligible dependents, and to pay the cost of said plan during the life of this agreement, less the Employee contribution specified below. Notwithstanding the above, the parties agree that the Company is not prohibited from offering alternative plans, and/or alternative rate structures.

Enter into side letter regarding vision coverage.

In Section 14. B. 1., replace the fifth paragraph with the following:

Effective 8/01/08, employee will pay for 16 percent of the total cost of health and dental insurance. Effective 1/1/10, employee will pay 21 percent of the total cost of health and dental insurance. Effective 1/1/11, employee will pay 23 percent of the total cost of health and dental insurance.

In Section 14. B. 1., delete the following paragraph:

The increase in employee co-pay in any one year shall not exceed 50 percent of the across-the-board raise at the top scale of the lowest paid classification.

Accept April 8, 2009 Guild proposal regarding Health Insurance Buyout, for term of the Agreement.

5. **Wages**

Accept March 10, 2009 Guild proposal on terminating the sick day bonus in Section 8, for the duration of the Agreement.

In Section 19, Wage scales shall remain at the 8/1/07 level for the duration of the Agreement. Make payment of \$500 to all active Guild-represented employees as of the signing date of this Agreement. Make payment of \$500 on August 1, 2010 to all active Guild-represented employees as of August 1, 2010.

Delete Proposal on Section 23 (No Pay Cuts).

6. **Sick Day Transfer**

Add the following as new Section 8 E.

Employees may transfer up to a maximum of three (3) unused sick days per calendar year to an employee suffering from serious illness or injury who needs additional time off for treatment and recovery, subject to the approval of the Publisher. The Publisher shall not unreasonably withhold approval. Transfers will be valued at the rate of pay of the donor employee. The employee receiving the sick days must have exhausted his or her own sick leave in order to be eligible for a transfer pursuant to this Section. Employees who transfer sick leave will not be eligible for the sick leave bonus set forth in Section 8.A.

7. **Overtime**

Accept March 10, 2009 Guild proposal regarding overtime, for term of the Agreement. Modify Section 26 C., 26 F., 26 G. and Memorandum of Agreement regarding Job Sharing accordingly. Add the following to Sections 26. A. and 26.B.: "or as mutually agreed upon by the Employee and his/her manager for purposes of managing overtime."

8. **Titles**

Do not agree to transfer position of Chief Editorial Writer to the Guild.

9. **Upgrades**

Do not agree to Guild proposal on classification upgrades.

10. **Pension**

Do not agree to Guild proposal on increasing pension contribution.

11. **Advertising Sales Classification**

Do not agree to Guild proposals to move all advertising sales people to Class D, and to have Commission committee approve all commission plans.

Further proposals:

In the event the parties reach a bargaining impasse rather than agreement on the terms of a new collective bargaining agreement, then in that case:

1. The Company would bargain with the Union during the four-week notice period concerning the items listed in proposed Article 1.D.1. above, rather than merely notifying the Guild of those items; and
2. The Company would bargain with the Union during the 45-day notice period concerning layoffs that will involve reductions out of seniority order under the Company's proposed Article 3.D., rather than merely discussing the factors to be used in selection.

Neither of these modifications to the Company's proposals shall apply in the event the parties reach agreement on a new collective bargaining agreement.