

Hearing Date: March 11, 2009 at 2:00 pm

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In re: : **Chapter 11 Case No.**

STAR TRIBUNE HOLDINGS CORP., et al., : **09-10244(RDD)**

Debtors : **(Jointly Administered)**

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**DECLARATION OF ANDREW E. STAAB IN OBJECTION TO
THE STAR TRIBUNE COMPANY'S MOTION TO
REJECT ITS COLLECTIVE BARGAINING AGREEMENT
WITH GCC/IBT LOCAL 1M PURSUANT TO 11 U.S.C. §1113**

Andrew E. Staab declares and states:

1. Rosene, Haugrud & Staab, Chartered represents the Graphics Communications Conference of the International Brotherhood of Teamsters, Local 1M ("Local 1M"), and I am a shareholder attorney in said firm.
2. I am authorized to submit this Declaration in response to the Debtors' motion to reject the Collective Bargaining Agreement with Local 1M.
3. I have reviewed most of the materials served and filed in support of the Debtors' motion, and I am familiar with the immediate history of communications between Local 1M and the Star Tribune Company over the past few weeks.
4. I first became involved in this case in early January 2009, when Mr. George Osgood, President of Local 1M, contacted me regarding discussions Local 1M had been having with the Star

Tribune Company.

5. Mr. Osgood stated that the current Collective Bargaining Agreement with the Star Tribune Company was being discussed, although its expiration date is November 30, 2010. His inquiry was whether a company that files a petition for bankruptcy relief under Chapter 11 of the U.S. Bankruptcy Code can terminate its Collective Bargaining Agreement with a labor union.
6. In response, I described the Section 1113 process to Mr. Osgood, and I advised that a debtor in possession may move the U.S. Bankruptcy Court to allow it to reject, i.e. terminate, the Collective Bargaining Agreement.
7. On Friday afternoon, January 23, 2009, Mr. Osgood telephoned me to request that I meet briefly with him in his offices, because he had received a letter from the Star Tribune Company. After our brief meeting, I took a copy of the Star Tribune's January 23, 2009 letter with me to review over the weekend. Our meeting was brief, because Mr. Osgood was leaving the Local 1M office to attend out of town Pension Board meetings.
8. On Monday January 26, 2009, I spoke with Mr. Osgood on his cellular telephone, and we discussed the January 23, 2009 letter, which I described as the Section 1113 proposal from the Star Tribune Company. I informed Mr. Osgood that there was an enclosed proposed Confidentiality Agreement for him to sign. Mr. Osgood advised he was coming back to the Minneapolis/St. Paul metropolitan area late Thursday January 29, 2009, and that on Friday morning January 30, 2009, he had a meeting of the GCC-IBT Local 1M Health & Welfare Fund's Board of Trustees.
9. Execution of the Confidentiality Agreement was never an issue, except that it was dependent on Mr. Osgood's signature.
10. On Monday January 26, 2009, Ms. Randy Lebedoff, the Star Tribune Company's General

Counsel, sent Mr. Osgood a letter, and she urged, among other things, Mr. Osgood to return the Confidentiality Agreement with his signature as soon as possible. See R. Lebedoff Declaration, Exhibit W.

11. On January 27, 2009, Ms. Lebedoff sent Mr. Osgood another letter by U.S. Mail and telefacsimile acknowledging his being out of town and repeating her request to return the signed Confidentiality Agreement. See R. Lebedoff Declaration, Exhibit X. A corresponding copy of the January 27, 2009 letter was sent to Mr. George Tedeschi, the President of the Graphic Communications Conference of the International Brotherhood of Teamsters and me.
12. On Tuesday, January 27, 2009, only two weekdays after the Star Tribune Company had delivered its Section 1113 Proposal, I sent an email to Ms. Lebedoff, in which I stated that the earliest opportunity for Mr. Osgood to review the Proposal and sign the Confidentiality Order was Friday January 30, 2009. Additionally, I informed Ms. Lebedoff that the proposed Confidentiality Agreement was acceptable, and that I had recommended to Mr. Osgood to sign and return it. Finally, I told Ms. Lebedoff that Local 1M is willing to participate in the Section 1113 process, particularly by discussing the January 23, 2009 Proposal. See R. Lebedoff Declaration, Exhibit Y.
13. In response to my January 27, 2009 email, Ms. Lebedoff stated her belief that Local 1M should be familiar with the provisions in the Proposal, and that discussions of the proposal should begin on Saturday January 31, 2009 or Sunday February 1, 2009. See R. Lebedoff Declaration, Exhibit Z. This email commenced the Star Tribune's post-petition practice of setting unilateral and arbitrary deadlines without considering what is humanly possible for Mr. Osgood and the Local 1M Negotiating Committee.

14. My reply (also dated January 27, 2009) to Ms. Lebedoff's response stated the following:

- a. That I was unable to meet during the coming weekend;
- b. That Mr. Osgood had concluded that the January 23, 2009 proposal is not the same as the proposals that had been discussed prior to the Star Tribune Company's filing of the bankruptcy petition;
- c. That I was willing to expedite the Confidentiality Agreement to Mr. Osgood to sign while he was out of town;
- d. That Local 1M will request a review of information to evaluate the January 23, 2009 proposal; and
- e. That Mr. Osgood's ability or inability to meet on either Saturday January 31, 2009 or Sunday February 1, 2009 should not interfere with the parties' following the Section 1113 process.

See of R. Lebedoff Declaration Exhibit AA.

15. On Wednesday January 28, 2009, Ms. Lebedoff sent me an email, in which she claimed Mr. Osgood has refused to sign a Confidentiality Agreement throughout the pre-petition negotiations, which prevented Local 1M from having access to confidential financial information that other labor unions were reviewing. Ms. Lebedoff also concluded that with respect to the Section 1113 proposal, "...while some aspects of it have changed, the framework remains **mostly** the same." See R. Lebedoff Declaration Exhibit BB. (emphasis added).

16. Only three (3) weekdays after delivery of the Section 1113 Proposal and with knowledge that Mr. Osgood was out of town until Thursday evening January 29, 2009, the Star Tribune Company portrayed Local 1M, particularly Mr. Osgood, as being uncooperative.

17. Despite the Star Tribune Company's depiction of Local 1M as being uncooperative and unwilling to bargain in good faith, I wrote an email to Ms. Lebedoff on Wednesday January 28, 2009 to continue dialogue between Local 1M and the Star Tribune Company. I assured Ms. Lebedoff that Mr. Osgood will have signed the Confidentiality Agreement by Monday February 2, 2009. See R. Lebedoff Declaration Exhibit CC.
18. On Friday January 30, 2009, Ms. Lebedoff sent me an email again demanding the signed Confidentiality Agreement. Despite my earlier representations to Ms. Lebedoff that Mr. Osgood was out of town Monday through Thursday of that week and that he was attending the GCC-IBT Local 1M Health & Welfare Fund meeting most of the day on January 30, 2009, Ms. Lebedoff stated: "**I fail to understand** why the Pressmen need ten days to return a simple confidentiality agreement." See R. Lebedoff Declaration Exhibit DD. (emphasis added).
19. In her January 30, 2009 email (Exhibit DD), Ms. Lebedoff states a new Star Tribune unilateral and arbitrary deadline for Local 1M to return the Confidentiality Agreement. The failure to meet the deadline, according to Ms. Lebedoff "...will be viewed by the Company as an attempt to unnecessarily delay the Section 1113 process and will not reflect well on the Pressmen, if indeed the Company is forced to file a motion for Section 1113 relief." This email demonstrates the Star Tribune Company's insistence on simultaneously being the rule maker **and** participant in the Section 1113 process, and that any representations I have regarding Local 1M's willingness to participate mean nothing to the Star Tribune Company.
20. In response to Ms. Lebedoff's January 30, 2009 email, I informed Ms. Lebedoff that Mr. Osgood was signing the Confidentiality Agreement, and that its execution was never objectionable to Local 1M. See R. Lebedoff Declaration Exhibit EE.
21. I met with Mr. Osgood on Monday February 2, 2009, and he advised me that he had signed the

Confidentiality Agreement, but he was delayed in sending it, because the Local 1M secretary was not in the office to send it by telefacsimile. He admitted to me that he was not familiar with the telefacsimile machine, and that he deferred to his secretary's ability to send it on Monday. At the meeting, Mr. Osgood and I discussed formulation of a response to the Star Tribune Company and that the response would be in the form of an initial information request to enable Local 1M to evaluate the proposal. Without Local 1M's access to certain information, negotiations would have been bogged down by constant requests for clarification.

22. During our February 2, 2009 meeting, Mr. Osgood and I agreed that it would be prudent for Local 1M to retain a financial consultant to expedite the process of evaluating complicated financial documents that the Star Tribune Company may present in reply to Local 1M's initial information request. Additionally, Mr. Osgood highlighted the differences between the January 23, 2009 proposal and the pre-petition proposals. One difference was the one half page description of Supplemental Provisions Covering Commercial Work. Attached hereto, incorporated by reference herein, and labeled as A. Staab Declaration Exhibit A is a copy of the Supplemental Provisions Covering Commercial Work of the January 23, 2009 proposal.
23. This provision (Exhibit A) referred to commercial work as "(i.e. production of a product other than the daily and Sunday Star Tribune Newspaper)" and it referred to a contingency plan, new worker classifications, lower than market wages, etc. Additionally, a portion of the January 23, 2009 financial analysis refers to the Supplemental Provisions without explaining how it factors into the request for annualized savings the amount of \$3,497 million. This provision did not appear to relate to any of the provisions in the current Collective Bargaining Agreement.
24. On Tuesday February 3, 2009, Ms. Lebedoff sent me an email on the recurring topic of the execution of the Confidentiality Agreement. Ms. Lebedoff protested that she did not have the

signed Confidentiality Agreement, and that "...if I have not received the signed confidentiality stipulation by noon today (fax or email is acceptable), we will have no choice but to seek emergency relief from the Court." See Lebedoff Declaration Exhibit FF. Ms. Lebedoff's February 3, 2009 email reinforces the Star Tribune Company's pattern of unilaterally setting deadlines and threatening unnecessary legal action against Local 1M.

25. I immediately responded to Ms. Lebedoff, and I stated that the Confidentiality Agreement had indeed been signed and sent. Additionally, I stated that Local 1M has possession of a "draft response" (one that I had drafted in the form of a request for information.). I stated it was "my goal" to send the response to the Star Tribune Company that day. See R. Lebedoff Declaration Exhibit GG.

26. Ms. Lebedoff replied to my response (Exhibit GG) by addressing Mr. Osgood directly and asking: "George, is it possible to meet with you and your committee this week?" See R. Lebedoff Declaration Exhibit HH. Ms. Lebedoff's direct reply to Mr. Osgood not only circumvents the attorney-client relationship I have with Local 1M, but it also appears to demonstrate that I (and not Mr. Osgood) am the impediment to Section 1113 negotiations.

27. On February 4, 2009, Mr. Osgood forwarded Ms. Lebedoff's email to me, and I repeated my request to direct communications to Local 1M to my attention. As part of the email chain of February 4, 2009, I attached a copy of my letter to Ms. Lebedoff, which was Local 1M's response - in the form of a request for additional information - dated February 3, 2009. The February 4, 2009 email chain is in R. Lebedoff Declaration Exhibit II.

28. On February 5, 2009, Ms. Lebedoff's letter in reply to Local 1M's request for additional information was hand-delivered to my office. Although the Star Tribune Company provided some of the requested information, the letter contained statements that necessitated further

requests for additional information. One particularly Local 1M information request was: “Please provide Local 1M with a working version of the company’s software model, which will enable Local 1M to understand how the company ‘costed’ the concessions it is seeking from Local 1M.” The Star Tribune’s response was: “The Company does not use software to calculate the cost savings it needs to achieve from the Pressmen or from any other union or non-union Star Tribune employee constituency.” See Lebedoff Declaration Exhibit JJ.

29. The Star Tribune Company’s “computer model” response was vexing to Local 1M, because earlier in the cover letter (Exhibit JJ), Ms. Lebedoff stated “In addition to these responses, you will also be provided access to an online data room that contains substantial Company financial information.” After reviewing the February 5, 2009 letter and responses to Local 1M’s requests for information, Local 1M decided it must retain a financial consultant especially to achieve meaningful analysis of documents in the online data room.

30. The inconsistent representations from the Star Tribune regarding the lack of a computer model and the on-line data room further confirmed Local 1M’s belief that additional information requests will require more specificity.

31. On February 6, 2009, I sent an email to Ms. Lebedoff advising that Mr. Osgood and I were meeting on Wednesday February 11, 2009 (the earliest possible time for both Mr. Osgood and me) to discuss the application of the information provided and how it affects the Company’s proposal. See R. Lebedoff Declaration Exhibit NN.

32. On Friday evening (8:52 p.m.), February 6, 2009, Ms. Lebedoff sent me an email stating her opinion “...that the Pressmen have no intention of engaging in the negotiations that are necessary for the Company to achieve the savings it will need to survive.” See R. Lebedoff Declaration Exhibit OO. The Star Tribune Company unjustifiably interpreted my efforts to

communicate Local 1M's attempts to evaluate the proposal as Local 1M's unwillingness to engage in the Section 1113 process.

33. In her February 6, 2009 email (Exhibit OO), Ms. Lebedoff suggests meetings with Local 1M on Saturday February 7, 2009 or Sunday February 8, 2009. Ms. Lebedoff asserted another Star Tribune Company unilateral deadline: "The Pressmen's failure to agree to meet to discuss the 1113 Proposal by no later than Monday February 9, will be a clear demonstration that the Pressmen do not share the Company's goal of reaching an agreement." In this communication, the Star Tribune Company simply states its baseless opinion of what it thinks Local 1M believes.

34. On Saturday February 7, 2009, I responded immediately to Ms. Lebedoff's February 6, 2009 email, and I stated that unilaterally set deadlines and gratuitous conclusions about Local 1M have no merit in this process. See R. Lebedoff Declaration Exhibit PP.

35. On Monday February 9, 2009, Ms. Lebedoff sent me a letter restating the Star Tribune's concern about getting negotiations underway with Local 1M. This letter also sheds light on the Star Tribune Company's opinion about the importance of Local 1M's requests for information: "When we finally heard back from the Pressmen on February 4, it was only to request **information that they either already have or was not needed to respond to the 1113 Proposal...We have already provided you access to all information that you need to evaluate the 1113 Proposal.**" See R. Lebedoff Declaration Exhibit QQ. (emphasis added) With this letter, The Star Tribune Company has assumed the role of determining what Local 1M needs to evaluate the Star Tribune Company's proposal.

36. In her February 9, 2009 letter (Exhibit QQ), Ms. Lebedoff stated that "...if significant progress in agreeing on substantial savings for the Company is not made in negotiations with the

Pressmen by Tuesday, February 17, the Company will have no choice but to move the Court for Section 1113 relief on Wednesday February 18.” In this letter, the Star Tribune accompanies its unilaterally set deadline with a threat to move the Court to reject the Collective Bargaining Agreement. This motion would ostensibly be filed under the Star Tribune’s manufactured pretext that Local 1M had indeed rejected its January 23, 2009 proposal.

37. Ms. Lebedoff’s February 9, 2009 letter (Exhibit QQ) was sent to me by email, and I immediately responded with my letter. I provided additional explanation of Local 1M’s position in preparation for negotiations, but I stated “[i]t is uncertain whether ‘significant progress’ can be made with respect to ‘agreeing on substantial savings for the company’ by February 17.” See R. Lebedoff Declaration Exhibit RR.
38. On February 17, 2009 (the Star Tribune Company’s latest arbitrarily set deadline), I sent an email to Ms. Lebedoff stating that the Local 1M Negotiating Committee was formed for purposes of negotiating with the Star Tribune Company. I also stated that Local 1M retained Matrix Associates to be its financial consultant, and that we should meet on Friday February 20, 2009 at the Star Tribune. I specifically stated that this is a meeting with Matrix Associates, Mr. Osgood and me, and we would coordinate how additional information requests can be done simultaneously during negotiations. See R. Lebedoff Declaration Exhibit SS.
39. On February 18, 2009, I sent an email to Ms. Lebedoff stating that Matrix Associates, Mr. Osgood and I can meet **earlier** on February 20, 2009; i.e. 9:00 a.m. instead of 2:00 p.m. I specifically stated that “...there will be additional information requests and discussions **to set the stage for negotiations.**” See Lebedoff Declaration Exhibit TT. (emphasis added).
40. On Thursday February 19, 2009, Ms. Lebedoff sent an email to me, in which she requested to contact me that evening. I responded by advising Ms. Lebedoff that I would be checking my

email that evening, and I attached a set of requests for information from Local 1M to the Star Tribune Company. See Lebedoff Declaration Exhibit UU.

41. On Friday morning February 20, 2009, before our meeting with Star Tribune and Blackstone Group representatives, I read Ms. Lebedoff's email with the attachment of the Memorandum of Law filed in Support of this motion.
42. On Friday February 20, 2009, I met with Ms. Lebedoff and other Star Tribune Company representatives, and I was accompanied by Mr. Michael Fox (Matrix Associates), Mr. Robert Silhacek (Matrix Associates), and Mr. Osgood. Blackstone Group attended the meeting by telephone. Despite the Company's motion to reject the Local 1M Collective Bargaining Agreement, we re-confirmed Local 1M's commitment to the Section 1113 negotiation process, which I had been consistently communicating to the Star Tribune since January 27, 2009. Matrix Associates was granted authority to the Star Tribune online Data Room, and the parties agreed to schedule negotiations during the week of February 23 – February 27, 2009.
43. On Thursday February 26, 2009, the Local 1M Negotiating Committee met and discussed with the Star Tribune Company its proposal to modify the Collective Bargaining Agreement. I attended the meeting until 12:30 p.m. At the beginning of negotiations on February 26, 2009, the Star Tribune stated it will not cancel the March 11, 2009 hearing on its motion to reject, even though the parties are in negotiations.
44. During the February 26, 2009 negotiations, the Star Tribune agreed with the Local 1M Negotiating Committee to stipulate to agreed upon provisions, even if there were items in the January 23, 2009 proposal that were still being negotiated. The February 26, 2009 negotiations lasted between 9:00 a.m. and 4:00 p.m.
45. The negotiations continued on February 27, 2009 with respect to modifying the Collective

Bargaining Agreement, and there were agreed upon modifications to the current Collective Bargaining Agreement. The list of tentatively agreed upon negotiated items as of February 27, 2009 is attached to the Declaration of George Osgood.

46. There is another round of negotiations scheduled for Wednesday March 4, 2009, and Local 1M remains committed to the Section 1113 process.

I, Andrew E. Staab, declare under penalty of perjury that the foregoing is true and correct.

Date: March 4, 2009
St. Paul, Minnesota



Andrew E. Staab

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Supplemental Provisions Covering Commercial Work

If the Company acquires commercial work (i.e. production of a product other than the daily and Sunday Star Tribune Newspaper) that requires the Company to fill an additional fifty bargaining unit shifts or more per week the Company may implement the following:

1. A new job classification called "reel tender" shall be created. Reel tenders may perform the following duties on any pressroom work including the commercial work and the daily and Sunday Star Tribune Newspaper work:
 - Paperhandler duties;
 - All duties related to work in the reelroom; and
 - Plating the press, stringing leads, purging ink, cleaning the press, make ready, roughing in ink, light maintenance and assisting with putting the press to bed.
2. The Company may hire reel tenders on a full-time or part-time basis. Full-time reel tenders shall be paid \$18.00 per hour. Part-time reel tender shall be paid \$16.00 per hour. To be benefits eligible, part-time reel tenders must work an average of 30 hours per week per quarter year.
3. Subject to applicable state and federal law, the Company, at its discretion, may schedule work days, shift times, lunch times, and shift length so as to achieve maximum operational efficiency. Situations for the full-time employees shall remain at 35 hours per week, but a situation may contain four or five days and the length of the shifts in any situation may vary in length.

