

July 25, 2017

“Your contributions are greatly appreciated.”

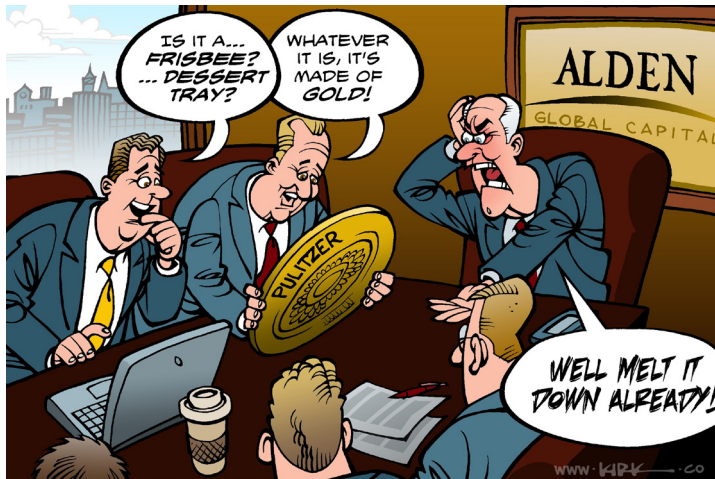
That was the word to employees last week from Digital First Media CEO Steve Rossi, whose remarks clearly weren't intended for the 300 union-represented workers nationwide who were sent packing after DFM ordered layoffs and buyouts in 2016 and 2017.

If you're counting, that's a 30 percent reduction of the workforce represented by The NewsGuild-CWA and the CWA Mailers at 12 newspapers in less than a year and a half.

Rossi emailed DFM employees on Thursday to dangle the carrot of a “merit salary increase” next year while offering a tone-deaf, year-in-review assessment that included boasts about audience growth, strong advertising performance compared to industry peers, and a Pulitzer Prize won by the East Bay Times.

Rossi omitted that [DFM laid off more than a fifth of the East Bay newsroom one week after the Pulitzer was announced](#).

Under the ownership of New York vulture fund Alden Global Capital, [DFM management runs the company like a chop shop, plundering profits from its newspapers by slashing staff](#). This is what qualifies in Rossi's memo as “serving our communities.”



The strategy serves the appetite of DFM's hedge fund overlords, but it savages community news at a critical time in the history of our nation. Alden spends its DFM profits like a casino gambler, speculating on the stock of companies like Fred's pharmacy – [an investment that turned out to be a huge money-loser](#). (Note: [Rossi was named to the board of Fred's in April](#).)

News reports indicate [that the value of Alden's investment in Fred's has shrunk by \\$100 million, from \\$158 million to \\$58 million, in just seven months](#). By comparison, 300 news workers paid \$60,000 per year equals \$18 million annually.

For the DFM employees who've survived the cost-cutting binge, Rossi's offer of a possible “merit salary” increase in 2018 left unsaid that employees' pay would be frozen in 2017.

As union workers know, DFM is in joint wage negotiations with 13 NewsGuild-CWA and CWA Mailers bargaining units, but management had failed since March to make a proposal. After promising one on July 14 and then reneging, DFM management emailed one to unions on July 20 – but only after Rossi's message was first emailed to employees.

DFM's proposal contained, in different words, the same message Rossi delivered to all employees: No raise in 2017, but maybe, if we see fit, something in early 2018.

Unions will request a bargaining session to discuss and negotiate over that so-called proposal – and we're not waiting until 2018. Since DFM management appears to be so deeply out of touch with its employees, we'll make sure they hear our message from across the nation:

Invest in employees. Raise our pay. Now.