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A Seat at the Table

Guild Local Named to Creditors' Committee in Tribune Bankruptcy Filing

The Washington-Baltimore Newspaper Guild-CWA was named last week as one of nine members of the creditors' committee in the bankruptcy filing by Tribune Co.

The relatively unusual inclusion of a union on a creditors' committee follows the Guild's success last week in securing Tribune's commitment to pay promised severance and health care benefits to Guild-represented employees who recently accepted company buy-outs. The payments were threatened by Tribune's filing for Chapter 11 bankruptcy reorganization. Severance payments and health benefits were cut off for Tribune employees who were not covered by union contracts.

A creditors' committee monitors a reorganization under the bankruptcy laws, and can participate in developing a plan for the company to get out of bankruptcy. The committee can hire its own lawyers, accountants and other professionals, and costs are paid by the company that is reorganizing.

"A creditors' committee is an integral part of the Chapter 11 bankruptcy process and can play a major role in shaping the Chapter 11 case, particularly in negotiating, or even proposing a plan of reorganization for the debtor. It has the right to be heard on any issue in the Chapter 11 case," according to an online article by the law firm Wiley Rein.

"We're extremely happy that we'll now be in a position to watch out for our members' best interests," said Cet Parks, WBNG's executive officer. "And we're appreciative that Tribune will honor its commitments to the several dozen employees who accepted severance packages after years of dedicated service to the Sun."

Added Bernie Lunzer, president of The Newspaper Guild-CWA, "Our ability to get a seat on the committee ensures that the voice of Tribune Company's workers will get heard in the proceedings."

Other members of the creditors' committee include major banks and suppliers, including JPMorgan Chase Bank, Merrill Lynch Capital Corp., Deutsche Bank Trust, Warner Bros. Television, Vertis and the Pension Benefit Guaranty Corp.

Robert Paul, legal counsel, and Bill Salganik, president of the local, will represent the Guild on the committee.

-Angie Kuhl, Unit Chair