



Read All About It

In Seattle's newspaper war, the real question may not be whether the *Times* or *P-I* wins—but whether any readers will be left
By Todd Matthews

SUNDAY AFTERNOON AT THE CORNER of First Avenue and Pike Street, newspaper vendor Chad Smith is wedged into a small counter space behind stacks of daily and weekly newspapers. Wearing a green T-shirt, shorts and a dusty apron, Smith quickly tallies purchases and makes change for a steady stream of customers who stop by his Pike Place Market newsstand—a Sunday edition of *The Seattle Times* for one customer; *The New York Times* for another; postcards, a map and a free copy of *Seattle Weekly* for someone else. It's a surprisingly hectic scene for anyone following the newspaper industry these days, where news of declining circulation, free online content and sagging advertising revenue sets the industry tone.

Smith hasn't seen those things impact sales at his newsstand. "A lot of people buying newspapers stop by as part of a routine," he says. "And I think a lot of people, amazingly enough, are not on computers these days."

It's an interesting time to be selling newspapers, and Seattle, one of a dwindling number of big cities with competing daily newspapers, is a unique place to be.

The Seattle Times and *Seattle Post-Intelligencer* continue to be caught up in a dispute over a long-standing Joint Operating Agreement (JOA) that puts advertising, production, marketing and circulation operations under control of the *Times* but separates news and editorial operations at each newspaper. The issue has pitted the two dailies against one another on newsstands and in courtrooms. *Times* executives want out of the JOA because they say it's a money loser for the company and threatens its viability. The Hearst Corporation, owner of the *P-I*, argues that without the JOA, the *P-I* couldn't survive (in May, both decided to resolve the dispute in private through binding arbitration; at press time, a decision had yet to be reached).

The eventual resolution of this dispute doesn't necessarily mean a rosy outcome for either newspaper. Both are facing grim circulation numbers.

According to the Audit Bureau of Circulations' latest data, covering the period between September 2005 and March 2006, weekday circulation at the *P-I* dropped 9 percent from the same period a year before. At the *Times*, weekday circulation fell 5.4 percent. Saturday circulation at the *P-I* fell 8.3 percent and at the *Times* by 5.5 percent. And circulation of the Sunday edition, which is published jointly by both newspapers, dropped 4.7 percent.

Declining newspaper circulation is a nationwide trend—though it may be worse here than elsewhere. According to the Newspaper Association of America (NAA), daily circulation for 770 U.S. newspapers dropped 2.6 percent. Meanwhile, despite Smith's observation, readers do seem to be gravitating to computers. Online news readership is up—the NAA says it rose 8 percent in the first quarter of 2006.

It's that last point that has raised doomsday scenarios from newspaper industry

