



Why Koch brothers could have the inside track on the LAT

By Mark Lacter | April 21, 2013

latimes-from-broadway.jpg There's not much in today's NYT story about the Koch brothers' interest in the Tribune Co. papers that hasn't been reported elsewhere (the LA Weekly had the scoop last month). But the piece does have an interesting nugget: Financial information on the papers will go out to interested bidders in early May. That's an important step in the process of finding a buyer because it will better indicate how well or poorly the papers have been operating - and that will help in determining value. How this might unfold in the coming months is anyone's guess, though a central question is whether the Tribune board will only accept offers for the entire newspaper group or consider selling off the properties in pieces. The preference is always to sell the package instead of the parts (eliminates the hassle of unloading the dogs), but a number of groups going after the LAT have little interest in, say, the Chicago Tribune or Baltimore Sun. The Koch brothers, however, appear to be going after all eight newspapers. From the NY Times story:

The papers, valued at roughly \$623 million, would be a financially diminutive deal for Koch Industries, the energy and manufacturing conglomerate based in Wichita, Kan., with annual revenue of about \$115 billion. Politically, however, the papers could serve as a broader platform for the Kochs' laissez-faire ideas. The Los Angeles Times is the fourth-largest paper in the country, and The Tribune is No. 9, and others are in several battleground states, including two of the largest newspapers in Florida, The Orlando Sentinel and The Sun Sentinel in Fort Lauderdale. A deal could include Hoy, the second-largest Spanish-language daily newspaper, which speaks to the pivotal Hispanic demographic.

Koch Industries is one of the largest sponsors of libertarian causes -- including the financing of policy groups like the Cato Institute in Washington and the formation of Americans for Prosperity, the political action group that helped galvanize Tea Party organizations and their causes. The company has said it has no direct link to the Tea Party. This month a Koch representative contacted Eddy W. Hartenstein, publisher and chief executive of The Los Angeles Times, to discuss a bid, according to a person briefed on the conversation who spoke on the condition of anonymity because the conversation was private. Mr. Hartenstein declined to comment.

