

Anschutz's, Buffett's influence on newly acquired papers remains to be seen

Billionaire Warren Buffett, chairman and chief executive officer of Omaha, Neb.-based Berkshire Hathaway Inc., has purchased the Omaha World-Herald Co., the parent company of his hometown newspaper, the Omaha World-Herald. The deal, announced Nov. 30, includes \$150 million in cash as well as the assumption of \$50 million of debt.

The move comes on the heels of an announcement that another Midwest newspaper, The Daily Oklahoman in Oklahoma City, was acquired in October by the Anschutz Corp., owned by Denver billionaire Philip Anschutz.

In defending his decision to buy the World-Herald, Buffett said the paper has had "a good financial performance."

"I think newspapers . . . have a decent future," added the 81-year-old Buffett, the third-richest person in the world according to Forbes Magazine. "I wouldn't do this if I thought this was doomed to some sort of extinction."

What remains to be seen is how Buffett's high profile as a Democrat and supporter of Barack Obama will play out in the World-Herald's news coverage – and, conversely, how Anschutz's influence will affect the operation of The Oklahoman.

According to a story written by Randy Krehbiel for the Tulsa (Okla.) World, Anschutz, 72, is involved in many conservative and charitable causes and foundations, including the Institute for American Values, which opposes same-sex marriage, and the Discovery Institute, which promotes "intelligent design" as an alternative theory to evolution.

At the website OKC.net, Executive Editor Colin Newman wrote that “recent downturns in the newspaper industry have led to some speculation that Anschutz has begun dipping his toes into the media landscape not primarily to make a profit, but to promote his political beliefs.”

“You have to look at what he’s doing partly as a reflection of some of his political convictions,” newspaper industry analyst John Morton told Politico in 2010.

In addition to The Oklahoman, Anschutz also owns the Weekly Standard, a conservative opinion magazine, and he created the Washington Examiner, whose editorial pages primarily feature syndicated conservative columnists.

Anschutz isn’t saying why he bought the Oklahoman. In fact, the reclusive billionaire has given only two interviews in the past 30 years. According to Newman, Anschutz is best known in conservative circles for his funding of the Colorado constitutional amendment banning gay marriage, his financial backing of the “Chronicles of Narnia” films, and large donations to “The Foundation for a Better Life,” an organization that promotes “positive behavioral values.”

As far as Buffett’s influence on the World-Herald goes, the initial reaction has been mild surprise in at least one instance. In his Feb. 10 editorial opinion, Midlands Business Journal Publisher Bob Hoig wrote, “In spite of forebodings in some quarters, including this one, the Buffett era is off to a good start on important counts involving the newspaper itself. . . . To date, Republicans have escaped the former second-hand treatment they had come to expect compared with Democrats, both as to volume and balance of news accounts and in picture coverage. Presumably, the new boss gets credit for urging editors and reporters toward a more even-handed treatment of the GOP and conservative issues.”

The World-Herald’s editorial board has favored the Republican

side of national politics, at least in the past decade or so. In the 2008 presidential campaign, the paper endorsed U.S. Sen. John McCain, R-Ariz., while in the 2004 race it chose to endorse President George W. Bush over his challenger, U.S. Sen. John Kerry, D-Mass. The paper's editorial board also endorsed Bush in his 2000 matchup against Vice President Al Gore.

The Oklahoman, meanwhile, has endorsed Mitt Romney as its choice in this year's presidential race, and it also endorsed McCain in the 2008 race and Bush in the 2004 contest.

For his part, Buffett has promised to stay out of editorial decisions made by the newspapers that are part of the Omaha World-Herald Co. – but that doesn't mean he'll stay out of the political arena.

In recent weeks, an idea floated by Democrats to raise taxes on the nation's wealthiest individuals – those earning \$1 million and above – has garnered a significant share of the political limelight. In his State of the Union Speech on Jan. 24, President Barack Obama proposed what he called the "Buffett rule," which would require individuals making \$1 million a year and above to pay at least 30 percent in income taxes.

Buffett has been widely quoted as saying he currently pays about 17 percent in federal income taxes – a rate much lower than what his secretary, Debbie Bosanek, pays. Bosanek pays a tax rate of 35.8 percent on her income, according to ABC News. She attended the president's speech as a guest of first lady Michelle Obama.