

This is a letter from Dow Jones war correspondents to the Board of Directors of Dow Jones & Company delivered at the annual meeting of the Dow Jones shareholders April 18, 2007

We write to you and your fellow board members as a group of Wall Street Journal reporters who have covered the conflicts in Iraq, Afghanistan, Lebanon, Gaza and elsewhere.

Since September 11, 2001, we've all spent long months away from our families. We have slept in the dirt, patrolled in the rain, trudged in heavy flak vests in the desert heat. We have taken enormous risks for the paper. To give you an idea, here's what happened last month alone: Pentagon reporter Greg Jaffe's Humvee was blown up by a roadside bomb in Iraq, where he was reporting several front-page stories. A sniper's bullet missed Yochi Dreazen's head by less than an inch in Iraq. The round was so close that it felt as if a bee had stung his ear. The hole in the wall behind him was the size of a tennis ball. Michael Phillips sat next to a dying girl in a medevac helicopter in Afghanistan, her throat torn open by shrapnel from a suicide car bomb. Her brother lay in the next stretcher, eviscerated by the same bomb.

Farnaz Fassihi spent three years living in Baghdad, during which time she survived two kidnap attempts and a car bomb explosion which rained body parts down on the garden of The Wall Street Journal's house.

We do this because we love journalism. We do this because we want Wall Street Journal readers to wake up to the smartest, most intimate war coverage they can get anywhere. We do this because we love The Wall Street Journal.

Perhaps that helps explain why we, maybe even more than other reporters at the paper, are so angry that Dow Jones managers are once again trying to cut our pay and benefits, at the same time they're enriching themselves.

Here's a sample of what management is putting on the table in the stalled contract negotiations:

-A 2.5% annualized raise for what remains of 2007 after a contract is ratified. We work for the world's best financial newspaper; we understand that this increase is below the 3.1% that inflation has averaged over the last two dozen years. It is a pay cut, not a pay raise. Management's offers for 2008 and 2009 are below average inflation, as well. Dow Jones managers have been trying to wring profits out of the employees for years now. Our post-inflation compensation has been falling for at least the last five years.

-At least a doubling of our health-care premiums, and a doubling - or in some cases more than a quadrupling - of prescription drug costs for us and our families.

-Managers now routinely tell reporters to take their own photos, shoot their own video and write and read their own broadcast scripts to accompany the stories they write. Other newspapers devote entire staffs to these specialized jobs. Dow Jones, however, wants the additional work for free.

Apparently, however, Rich Zannino and others at the top have excused themselves from the sacrifices the rest of us are being told to make for the good of the company.

-In 2006, Mr. Zannino received \$173,441 to cover commuting costs from his Connecticut home to Manhattan. That means that each and every working day the company pays \$667 just to get him to show up at the office. He gets far more just to sit in the back of a limo on his way to work than we get to go into combat.

-Mr. Zannino's compensation package more than doubled when he became CEO in 2006, to \$4.16 million from \$2 million. Peter Kann was both CEO and chairman the previous years, yet his compensation was just under \$3 million. So Mr. Zannino earned 42% more for half the job.

-If Mr. Zannino does that job badly and gets fired, the company has agreed to give him \$10 million to clean out his desk.

It's very clear: We take the risks; top managers reap the rewards.

While Mr. Zannino's compensation is appalling on the face of it, this really isn't a question of fairness. It's a question of the wellbeing of The Wall Street Journal and Dow Jones & Co.

The war correspondents wrote the board a letter similar to this one three years ago, during the last round of contract negotiations. At that time, we emphasized that the Journal, Barron's, WSJ.COM, the newswires and the company prosper in large part on the ingenuity, diligence and skill of its writers, editors, designers and artists. People buy the newspaper, subscribe to the wire service and click on the website because they *need* to know what *we* have to say. Providing the best news coverage in the world is our business plan.

We warned at the time that trying to increase profits marginally by squeezing the staff would hurt the company in the long run. The best employees won't be loyal to a company that isn't loyal to them; they can always go elsewhere.

We're already paying that price. Since the last tortured contract negotiations, six of the paper's war correspondents have left The Wall Street Journal. David Cloud, Helene Cooper, Nick Kulish and Alexei Barrionuevo are now writing for The New York Times. Dan Morse has gone to the Washington Post. Hugh Pope has left journalism entirely. They are all extremely talented reporters. The Wall Street Journal is still the best paper in the world, but it is less of a paper without them. And that's not to mention the other, non-war reporters who have left Dow Jones.

We're worried that Dow Jones managers are not conveying to the board and the shareholders just how demoralized the staff is by these triennial efforts to make us pay for management's raises. Senior managers talk about quality journalism, yet seem determined to undermine it. We ask you in your roles as board members to help convince management to look to the long-term health of Dow Jones & Co. and to negotiate a reasonable settlement so we can all get back to what we love: Journalism.

Respectfully,

Michael M. Phillips  
Iraq, Afghanistan

Yochi J. Dreazen  
Iraq

Neil King Jr.  
Iraq, Sudan

Christopher Cooper  
Iraq

Jay Solomon  
Lebanon, Pakistan, Indonesia

The following non-unionized WSJ correspondents based abroad have reported from war zones or hostile areas. We sign both in protest of management's efforts to slash our health benefits and in support of our union colleagues in their contract negotiations.

Farnaz Fassihi  
Iraq, Lebanon, West Bank

Philip Shishkin  
Iraq, Afghanistan

Yaroslav Trofimov  
Iraq, Liberia, Afghanistan

Chip Cummins  
Iraq

Alan Cullison  
Afghanistan

Cam Simpson  
West Bank/Gaza

Keith Johnson  
Iraq