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PUBLIC INFORMATION OFFICER

CHANGES IN ELIGIBILE CREDITS

In the month of October, there was one change to the Treasurer's approved eligibility list:

The following was removed from the CP/ MTN Eligibility list:

1) **Gannett Co.**

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To: Treasury Investment Committee
From: John Byerly, Senior Financial Analyst
Date: October 16, 2006

Subject: **Gannett Co.**
Ratings: Was: A-1/ P-1 /NR A/ A2/NR
Now: A-1 *-/P-1 /NR A *-/A2/NR

Exposure: County/Schools/XFund / – None
JWA – $1,002,021.53 matures April 1, 2007

Recommendation: Remove from CP/MTN eligibility list

Rationale: Issuer placed on credit watch negative

Summary:

Gannett Co., Inc., formed in 1923, is a diversified news and information company that publishes newspapers, operates broadcasting stations and is engaged in marketing, commercial printing, a newswire service, data services and news programming. It owns 99 daily newspapers including USA TODAY, the nation's largest-selling daily newspaper.

On October 13, 2006, Standard & Poor's placed its 'A' long-term and 'A-1' short-term ratings on credit watch negative, reflecting Gannett's higher debt levels and the continued weakness in its U.S. and U.K. newspaper businesses. S&P has indicated that if the ratings are lowered, it is expected to be limited to one notch.

Gannett continues to face difficult operating conditions and is aggressive in its use of short-term debt. However, ample internal and external sources of liquidity supporting Gannett's commercial paper program include approximately $1 billion of FCF and over $4 billion in credit agreements. The agreements contain no MAC clauses, but require total Shareholders' Equity to remain above $3.5 billion. As of June 2006, the company comfortably exceeds this requirement with $8.1 billion of Shareholders' Equity.

In consideration of Investment Policy Statement restrictions, I have removed Gannett Co. from the CP/MTN eligibility list.