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COMMONWEALTH OF PENNSYLVANIA  
HOUSE OF REPRESENTATIVES  
HOUSE COMMERCE COMMITTEE

COMMONWEALTH KEYSTONE BUILDING  
HEARING ROOM 1  
HARRISBURG, PENNSYLVANIA

TUESDAY, JUNE 9, 2009  
9:00 A.M.

IN RE: PUBLIC HEARING ON  
HOUSE BILL 795

BEFORE:

- HONORABLE PETER J. DALEY, CHAIRMAN
- HONORABLE DICK L. HESS
- HONORABLE ROBERT F. MATZIE
- HONORABLE MIKE REESE
- HONORABLE WILLIAMS F. KELLER
- HONORABLE MARK LONGIETTI
- HONORABLE TOM C. CREIGHTON
- HONORABLE JAMES WANSACZ
- HONORABLE MIKE FLECK

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BRENDA S. HAMILTON REPORTING  
P.O. BOX 165  
ELM, PENNSYLVANIA  
717.627.1368 FAX 717.627.0319

1 (CONT'D)

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HONORABLE ROSITA C. YOUNGBLOOD

3

HONORABLE PAUL COSTA

4

HONORABLE JIM MARSHALL

5

HONORABLE RICK MIRABITO

6

HONORABLE DONNA OBERLANDER

7

HONORABLE JOHN J. SIPTROTH

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HONORABLE JOHN T. YUDICHAK

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ALSO PRESENT:

DAVE CALLEN, MAJORITY EXECUTIVE DIRECTOR  
JOSEPH MILLER, MINORITY EXECUTIVE DIRECTOR  
JOHN SCARPATO, COMMITTEE LEGISLATIVE ANALYST  
SANDY ALTLAND, LEGISLATIVE ASSISTANT

BRENDA S. HAMILTON, RPR  
REPORTER - NOTARY PUBLIC

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## P R O C E E D I N G S

- - -

CHAIRMAN DALEY: Ladies and gentlemen, the House Commerce Committee public hearing on House Bill 795 will come to order.

I'll have the secretary, Representative Matzie, call the roll.

REPRESENTATIVE MATZIE: Chairman Daley.

CHAIRMAN DALEY: Here.

REPRESENTATIVE MATZIE: Representative Costa.

REPRESENTATIVE COSTA: Oh, I'm sorry. Here.

REPRESENTATIVE MATZIE: Representative Cruz.

Representative Galloway.

Representative Johnson.

Representative Keller.

REPRESENTATIVE KELLER: Here.

REPRESENTATIVE MATZIE: Representative Longietti.

REPRESENTATIVE LONGIETTI: Here.

REPRESENTATIVE MATZIE: Representative Matzie. Here.

1 Representative Mirabito.

2 REPRESENTATIVE MIRABITO: Here.

3 Representative Santarsiero.

4 Representative Siptroth.

5 REPRESENTATIVE SIPTROTH: Here.

6 REPRESENTATIVE MATZIE:

7 Representative Thomas.

8 Representative Wansacz.

9 Representative Youngblood.

10 Representative Yudichak.

11 REPRESENTATIVE YUDICHAK: Here.

12 Chairman Hess.

13 CHAIRMAN DALEY: He's on his way.

14 REPRESENTATIVE MATZIE:

15 Representative Causer.

16 Representative Creighton.

17 REPRESENTATIVE CREIGHTON: Here.

18 REPRESENTATIVE MATZIE:

19 Representative Evans.

20 Representative Fleck.

21 REPRESENTATIVE FLECK: Here.

22 REPRESENTATIVE MATZIE:

23 Representative Geist.

24 Representative Harris.

25 Representative Marshall.

1 REPRESENTATIVE MARSHALL: Here.

2 REPRESENTATIVE MATZIE:

3 Representative Megzgar.

4 Representative Oberlander.

5 REPRESENTATIVE OBERLANDER: Here.

6 REPRESENTATIVE MATZIE:

7 Representative Reese.

8 REPRESENTATIVE REESE: Here.

9 CHAIRMAN DALEY: 13 present.

10 REPRESENTATIVE MATZIE: 13 present,  
11 three leaves, and you said Chairman Hess was  
12 en route.

13 CHAIRMAN DALEY: Yes. Thank you.

14 Thank you, Mr. Secretary.

15 REPRESENTATIVE MATZIE: You're  
16 welcome.

17 CHAIRMAN DALEY: This hearing today  
18 is on House Bill 795 and the prime sponsor,  
19 Representative Barbara McIlvaine-Smith is  
20 here, and we are going to have her make a  
21 presentation.

22 We have a whole host of people who  
23 will be testifying. As always, we welcome  
24 questions and answers as we go after each  
25 person who testifies.



1 Representative McIlvaine-Smith.

2 REPRESENTATIVE McILVAINE-SMITH:

3 Thank you very much. I'm sorry. Is that on?

4 Here I've been here all this time. Thank

5 you.

6 Thank you, Mr. Chairman. I

7 appreciate you hearing my House Bill 795

8 today. This bill came about because in my

9 municipalities -- I visit my municipalities on

10 a regular basis and ask them what it is that

11 they would like me to work on.

12 And when I was a freshman last term,

13 I was asked by one of my smaller, more rural

14 districts or municipalities to introduce a

15 bill that would help them with saving money on

16 advertising, legal advertising.

17 And I did not take it on until this

18 term, but I found that Senator Robbins had

19 already introduced a bill, Senate Bill 419 on

20 the Senate side, and I met with him and his

21 staff, and he was kind enough to allow me to

22 mimic his bill in its entirety.

23 So together we have been working on

24 this. And I just wanted to let you know just

25 a little bit about what the reasoning is.

1           As a formal -- former local  
2 government official, I was vice president of  
3 West Chester Borough Council. I know that we  
4 spend close to \$30,000 on legal advertising.

5           We have a lot going on in our town.  
6 Even though it's a small town, we are the  
7 county seat. We have a university within our  
8 town, and we also have the -- the hospital.  
9 So we're very active.

10           And I have been serving on the House  
11 Local Government Committee last term and this,  
12 and it -- it -- it is a -- I think it's  
13 important that in this economic time, this  
14 downturn, that we really need to think about  
15 helping taxpayers and saving money.

16           Last year, Philadelphia paid close to  
17 \$4 million to inform its citizens of activity  
18 through newspaper ads.

19           And my point is is that citizens, or  
20 taxpayers, their tax money goes to put the ads  
21 in the newspapers and then they must pay to  
22 buy those newspapers to find out what's going  
23 on.

24           And if we go to a -- to a system of  
25 allowing our municipalities to post all of

1 their legal advertising on their websites --  
2 and I know all of my municipalities have a  
3 website, and they post them and they keep them  
4 up-to-date -- then it is very easy for  
5 citizens of that municipality to go online and  
6 find out what is going on, what is being  
7 advertised.

8           Because in a newspaper, when do you  
9 know it's going to be advertised? And maybe  
10 there's something coming up that you'd have to  
11 buy it every single day to find out. But on  
12 the web you can go and instantly you can find  
13 out.

14           And there was one more point that I  
15 wanted to make -- and I think I've lost my  
16 train of thought.

17           We do have some amendments. I wanted  
18 to say that Senator Robbins has been  
19 continually working with the stakeholders in  
20 this to think about amendments, and I will be  
21 talking with Chairman Daley to suggest some of  
22 those amendment on the house bill also.

23           But I appreciate you hearing this  
24 bill today, and I will step aside and allow  
25 the hearing to proceed.

1 Thank you, Mr. Chairman.

2 CHAIRMAN DALEY: Thank you. You're  
3 welcome to join us at the committee table  
4 throughout the hearing.

5 REPRESENTATIVE McILVAINE-SMITH:  
6 Thank you.

7 CHAIRMAN DALEY: And invited to  
8 participate in questions and answers.

9 Our second testifier, Tim Allwein, is  
10 the Director of Governmental Affairs of the  
11 Pennsylvania School Boards Association.

12 Welcome, Tim. Glad to see you  
13 again.

14 MR. ALLWEIN: Thank you, good  
15 morning, Chairman Daley, Chairman Hess,  
16 members of the committee.

17 I am Tim Allwein, the Assistant  
18 Executive Director for Governmental and Member  
19 Relations for the School Boards Association.  
20 Thank you for inviting me to testify today.

21 Let me first begin by saying that our  
22 association fully supports open and  
23 transparent government. It's an important  
24 function not only of school boards and  
25 municipalities, but of all governmental

1 entities, whether they be local or state.

2 We recognize that legal advertise --  
3 advertisement of items such as school board  
4 meetings, resolutions, budgets, and bidding  
5 requests serve an important purpose, but in  
6 some areas of the state the current  
7 requirement that local governments place these  
8 advertisements in newspapers of general  
9 circulation can be costly and inefficient.

10 That's why we thank Representative  
11 McIlvaine-Smith, Representative Scavella,  
12 Senator Robbins, for introducing bills that  
13 have to deal with taking the -- the mandate  
14 for legal advertising and changing that  
15 mandate so that it fits more into the 21st  
16 century.

17 A few years ago Penn State released a  
18 study called Cost Savings on Mandatory Legal  
19 Advertising by Local Government Entities.

20 Over a three-year period they found  
21 that the average expenditure on legal  
22 advertising for a school district was  
23 \$22,743. The total spent on legal advertising  
24 over that period was more than \$11 million.

25 In order to try and update that

1 information a little bit, we recently sent out  
2 a survey to districts that was answered by 217  
3 out of 501 school districts. On average  
4 districts reported spending almost \$12,000 a  
5 year on legal advertising, but notably the  
6 high was 212.7 -- \$212,723 and the low was  
7 \$250. So there's a wide range of expenses in  
8 this area.

9 One of the explanations for those  
10 ranges could be that the cost for legal  
11 advertisements can substantially increase when  
12 a school district engages in a construction  
13 project, for example, because of the  
14 additional advertising needed to bid for  
15 contracts and services.

16 With the additional costs already  
17 placed on school construction by other state  
18 mandates, schools already face the difficult  
19 task of determining how to control costs on  
20 these projects.

21 Shaler School District, for example,  
22 in Allegheny County began an extensive  
23 renovation project on their high school during  
24 the '06/'07 fiscal year.

25 For that year the district had

1 budgeted \$10,000 for advertising costs, but  
2 because of the necessary advertising  
3 conducted -- connected, rather, with the  
4 construction project, they ended up spending  
5 \$30,000, almost three times what they  
6 budgeted.

7           While these amounts may seem  
8 insignificant in light of districts' total  
9 operating budget, every dollar we're able to  
10 save is another dollar that districts can use  
11 to support student programs or another dollar  
12 that property taxes don't have to be raised to  
13 support those programs.

14           In times of economic uncertainty, we  
15 can't ignore the possible cost savings that  
16 are created by allowing school districts and  
17 other local government entities to advertise  
18 legal notices in alternative ways.

19           It is vital that we lend deference to  
20 school districts to ensure that every dollar  
21 is being spent efficiently and effectively.

22           Additionally, with the school  
23 districts facing a perilous rate spike in the  
24 Public School Employees Retirement System and  
25 uncertain education funding under the looming

1 budget, it is imperative that we try to retain  
2 flexibility in spending while still fulfilling  
3 our duty to publicize legal notices.

4 In the same 2006 study, Penn State  
5 study that I mentioned earlier, it was  
6 reported that local government entities could  
7 have saved approximately \$70 million over  
8 three years if legal advertising were done on  
9 individual local government websites rather  
10 than newspapers.

11 That's \$70 million after subtracting  
12 website construction costs and maintenance  
13 over a three-year period.

14 And, finally, according to the  
15 website [www.internetworldstats.com](http://www.internetworldstats.com), which  
16 bases its statistics on information from the  
17 U.S. Census Bureau and Nielsen Ratings, 72.5  
18 percent of the U.S. population has access to  
19 the Internet.

20 With more and more of the public  
21 gaining access to the Internet, it is a  
22 natural progression to publish legal  
23 advertisements on websites rather than solely  
24 in newspapers.

25 School districts and other local



1 government entities could reach far more  
2 individuals in their community and a desire  
3 for access to legal advertisement would no  
4 longer require the purchase of a newspaper.

5 We think that House Bill 795 has  
6 enough provisions in it to protect those who  
7 are not connected to the Internet by requiring  
8 districts and other municipalities to put  
9 legal advertisements in printing, to provide  
10 free access to the web for those who are not  
11 already connected as well. And there are many  
12 other provisions and safeguards as well.

13 Allowing legal advertisements to be  
14 published on Internet websites would not  
15 diminish, in our view, the overall intent of  
16 legal advertisement; namely, governmental  
17 transparency. Instead, it would serve to  
18 grant the public even greater access to the  
19 information to which they're entitled.

20 Thank you for allowing me to make  
21 these brief comments, and I'll be happy to  
22 answer any questions you may have.

23 CHAIRMAN DALEY: Questions by  
24 members?

25 Representative Longietti.

1                   REPRESENTATIVE LONGIETTI: Thank  
2 you. Thank you, Mr. Chairman.

3                   And thank you for your testimony.  
4 I'm not sure if you know the answer to this  
5 question. I think I may, but I just was  
6 trying to confirm it.

7                   As far as meetings go, as I  
8 understand, and having been a former school  
9 solicitor, usually public bodies will  
10 establish a meeting schedule at the beginning  
11 of the year. Of course, there are special  
12 meetings --

13                  MR. ALLWEIN: Right.

14                  REPRESENTATIVE LONGIETTI: -- that  
15 vary from that. But it's my understanding --  
16 and tell me if you know the answer to this --  
17 that this legislation would not affect the  
18 open meetings law, which, as I recall,  
19 requires you to publish, post, and notify.  
20 Well, the published part of it would be  
21 modified.

22                  MR. ALLWEIN: Right.

23                  REPRESENTATIVE LONGIETTI: Because  
24 publishing would be considered, you could do  
25 it electronically. But the notify element,

1 for example, if I'm a citizen living in this  
2 school district and I write a letter to the  
3 school board or the school secretary and say,  
4 I would like to be notified of your meetings,  
5 it's my understanding that part of the law  
6 would not change so that a letter would then  
7 go out to me as a citizen saying, well, here  
8 is our meeting schedule.

9 MR. ALLWEIN: Right.

10 REPRESENTATIVE LONGIETTI: And then  
11 if there's a special meeting --

12 MR. ALLWEIN: Right.

13 REPRESENTATIVE LONGIETTI: -- here is  
14 the special meeting. Is that your  
15 understanding?

16 MR. ALLWEIN: Right. That is my  
17 understanding as well. And one of the  
18 amendments that Representative McIlvaine-Smith  
19 referred to, and I think Senator Robbins has  
20 the same amendments, would allow the same --  
21 the same type of arrangement for people who  
22 want to know when the meetings are but allow  
23 them to get the notices by e-mail rather than  
24 by letter.

25 REPRESENTATIVE LONGIETTI: Okay.

1 MR. ALLWEIN: So it would actually  
2 enhance that by allowing e-mail rather than  
3 letter.

4 REPRESENTATIVE LONGIETTI: So what  
5 you're explaining if I -- if I didn't have  
6 Internet access or e-mail access --

7 MR. ALLWEIN: Right.

8 REPRESENTATIVE LONGIETTI: -- I could  
9 get a --

10 MR. ALLWEIN: Correct.

11 REPRESENTATIVE LONGIETTI: -- a  
12 written letter in the mail.

13 MR. ALLWEIN: Correct.

14 REPRESENTATIVE LONGIETTI: And then  
15 if I also have e-mail --

16 MR. ALLWEIN: Right.

17 REPRESENTATIVE LONGIETTI: -- I could  
18 request e-mail notice.

19 And the reason that I raise that is,  
20 you know, it's important that we get all the  
21 facts out in this hearing.

22 Because I know Senator Robbins  
23 happens to be my state senator, and our  
24 newspaper -- and I think they had the best  
25 intentions at heart, but they wrote an

1 editorial a couple months ago stating that he  
2 wants secret meetings, he doesn't want people  
3 to know about the meetings. And it triggered  
4 my memory that there is a requirement  
5 notification --

6 MR. ALLWEIN: Right.

7 REPRESENTATIVE LONGIETTI: --  
8 requirement that's in the law and I don't  
9 think this bill changes it.

10 MR. ALLWEIN: Right.

11 REPRESENTATIVE LONGIETTI: And you  
12 just confirmed that.

13 MR. ALLWEIN: Right. And I don't  
14 think secret meetings helps anybody.  
15 Obviously it doesn't do anything for  
16 transparency. It worsens it.

17 But from experience I know when --  
18 when we've had school districts and other  
19 municipalities that have violated the open  
20 meetings act or open records, the response  
21 from -- from the folks in the General Assembly  
22 is -- is never anything that we support.

23 So it's in everybody's best interests  
24 to follow the law. And we certainly make sure  
25 that our members do it. In all of our

1 training that we do, especially for new board  
2 members, we extensively cover open meetings  
3 and open records.

4 REPRESENTATIVE LONGIETTI: Okay.

5 Thank you.

6 Thank you, Mr. Chairman.

7 CHAIRMAN DALEY: Any other questions  
8 from any members?

9 One question I have for you.

10 MR. ALLWEIN: Yes.

11 CHAIRMAN DALEY: I guess the genesis  
12 of legal advertising, especially on  
13 construction projects, is to make the whole  
14 world aware of what you're doing.

15 And I'm concerned that if we -- this  
16 is a concern that has been told to me -- that  
17 if we take away that advertising in a public  
18 forum, as a newspaper, I know that many school  
19 districts advertise in the Dodge reports on  
20 construction projects, that we may be limiting  
21 the number of people that may bid.

22 Because what happens is it creates a  
23 grazing effect. People have to graze across  
24 all school districts to find out if they're  
25 advertising on the Internet unless there's a

1 specific site, which then I believe, as the  
2 genesis will go, that site may cost and then  
3 we're going to be right back where we are  
4 today with paying, school districts and other  
5 municipalities paying to advertise somewhere.

6 How do you address that issue?

7 MR. ALLWEIN: Well, I think that -- I  
8 think that most businesses that are in the --  
9 in the business of school construction, once  
10 they know that this will be available to  
11 school districts, and I think it even happens  
12 now, is they will make sure, as we -- as we  
13 just spoke about, that they are on the list  
14 for any kind of bid, whether it be for new  
15 construction or renovation or any type of  
16 construction project.

17 I -- I think that, for example, you  
18 know, a -- a large construction company, even  
19 the local plumbing outfitting company, those  
20 folks will easily be able to contact the  
21 school district and say, you know, I want to  
22 be on your Internet, I want to be on your  
23 bid -- your list of bidders.

24 So any time you have a bid, whatever  
25 it might be for, you send it out to us and

1 we'll -- we'll be able to respond to that if  
2 we need to.

3 As far as the public knowing about  
4 construction projects, I think the press  
5 always does a fairly good job of -- of  
6 covering school board meetings.

7 So I think it would be pretty  
8 difficult for a school district to hide from  
9 the public the fact that they're building or  
10 renovating a new building because there's  
11 usually property tax consequences, or, I  
12 should say, at least revenue consequences as  
13 well.

14 So those kinds of things affect the  
15 public and I don't think they're easily hidden  
16 from view.

17 CHAIRMAN DALEY: Any other  
18 questions?

19 Mr. Allwein, thank you very much --

20 MR. ALLWEIN: Thank you.

21 CHAIRMAN DALEY: -- for your  
22 testimony today

23 MR. ALLWEIN: Thank you,  
24 Mr. Chairman.

25 CHAIRMAN DALEY: The next individual



1       testifying will be Brian Pawling, West Chester  
2       School District. He's with the Pennsylvania  
3       Association of School Business Officials,  
4       PASBO.

5               Brian.

6               MR. PAWLING: Good morning. Thank  
7       you to the committee for having me.

8               My name is Brian Pawling. I'm the  
9       purchasing manager of the West Chester Area  
10       School District in Chester County.

11              I'm also here representing the  
12       Pennsylvania Association of School Business  
13       Officials, and we are here to testify that we  
14       are in support of House Bill 795 which would  
15       save school districts money on their  
16       advertising expenses.

17              What I'd like to do today in my  
18       testimony is present the day-to-day  
19       interactions that I have as a purchasing  
20       manager in relation to advertising bids and  
21       legal notices in newspapers and the responses  
22       that we get back from those.

23              Currently, our district incurs about  
24       \$18,000 a year in expenses from advertising,  
25       and we feel that we could put in place a

1 system that we could publish these legal  
2 notices on our website, reduce our expense,  
3 and be able to use that money either to save  
4 taxpayers or to buy more educational supplies  
5 and equipment for the students in our  
6 district.

7 Currently, we are required under  
8 School Code Section 807.1 (a) and 751 (a) to  
9 publish an advertisement in two local  
10 publications for a three-week period for any  
11 supply, equipment, construction bid that we  
12 would put out to the public.

13 In my five years of being the  
14 purchasing manager at the district, we  
15 followed those provisions in the school code  
16 and from my experience we have not really seen  
17 a large influx of requests coming to us from  
18 these advertisements for potential bidders to  
19 our district.

20 What we currently do is maintain a  
21 list of vendors for construction projects and  
22 for the various types of bids that we put out  
23 there and we notify those potential vendors  
24 when we have a bid coming up. And then we  
25 hope to get new vendors from the

1 advertisements that we are putting in the  
2 newspaper.

3 I think from this past year's worth  
4 of advertising, we've maybe gotten six vendors  
5 that have responded from a legal advertisement  
6 that we put in the paper.

7 And we feel that publishing these  
8 notices on our website, we'd be able to  
9 broaden the time periods that these notices  
10 are available to the public.

11 Right now with the three-week period  
12 that we have, in the newspapers, that  
13 publication only has to -- we only have to  
14 publish an ad in that publication once a week  
15 for the three-week period.

16 By having the legal notices on our  
17 website, that information would be available  
18 to potential bidders and the public for the  
19 entire three-week period up until the bid  
20 opening date. So that we would have available  
21 to them 24-hour access to the notices that we  
22 are putting out.

23 In closing, I would just like to  
24 thank everyone for having me here today. Our  
25 school district is the district in

1 Representative McIlvaine-Smith's district, and  
2 we are in full support of this house bill.

3 Thank you.

4 CHAIRMAN DALEY: Thank you, Brian.

5 Once again, I -- I pose a question to you. It  
6 appears that the way this whole concept has  
7 grown over the years is keeping the public  
8 aware of what's going on with municipalities  
9 so there's always openness, people know when  
10 taxpayer's monies are going to be expended.

11 There's an assumption that all  
12 taxpayers have Internet access, and that's not  
13 true. They don't. How do we overcome that?  
14 I -- I know that's sort of -- sort of a  
15 theoretical question.

16 But how do we overcome the ability  
17 for you and your responsibility and role in  
18 the school districts and municipalities in  
19 Pennsylvania to keep the public aware of  
20 exactly what the public [sic] is doing if  
21 people don't have access to Internet?

22 MR. PAWLING: Well, in my -- from my  
23 end, from a vendor standpoint and then I'll  
24 touch on the public second, most vendors that  
25 contact us are looking to get that information

1 on our website and many of them ask us to have  
2 that available on there.

3 So from my end and from a vendor's  
4 standpoint, as having a business, they do have  
5 Internet access to make it available to them  
6 in that fashion.

7 With the public, again, we can send  
8 notices out to the public if they do request  
9 that to us in writing if they do not have  
10 Internet access, and our school -- the board  
11 secretary does keep a list of taxpayers in our  
12 district who don't have the technology to view  
13 those notices or that information online, to  
14 mail them out a letter from the school board  
15 notifying them of when meetings would be  
16 occurring and where they could find that  
17 information without having to go onto the  
18 Internet.

19 CHAIRMAN DALEY: Let me just follow  
20 up. And I know my colleagues to the left and  
21 right of me want to ask a question, too.

22 But that will place a big onus, a  
23 large onus on the school district to do that.  
24 And once again I pose to you, I've been -- and  
25 I'm sure you have and all of us have been --

1 down to the local restaurant for breakfast or  
2 the diner and somebody says, hey, you know,  
3 the school district's going to build this, did  
4 you read this in the paper that the borough or  
5 city or township is going to do this?

6 By advertising in the paper, the  
7 newspapers, this creates that public  
8 information sharing besides the necessary  
9 components that you're doing concerning the  
10 advertising. I believe there's -- there's a  
11 problem and -- because I -- it's going to  
12 create a new onus for the school district.  
13 It's going to be, in your case, an additional  
14 cost for you.

15 How do you respond to that?

16 MR. PAWLING: Well, I think another  
17 provision in the house bill is that in lieu of  
18 Internet advertising we would be able to  
19 publish these notices in news -- not  
20 necessarily in a newspaper but a local  
21 newsletter or a publication that would go out  
22 to the public.

23 So if we find that there are  
24 instances where the information is not getting  
25 out there, we can publish in these local

1 printed publications that might not  
2 necessarily go out and cost us the money that  
3 it does to publish in -- an advertisement like  
4 the daily local news or the Phoenixville  
5 Phoenix.

6 And that's what we're looking to do,  
7 is to save money on advertising. We want to  
8 let the public know what's going on. We want  
9 to have an open door policy. But we also want  
10 to save ourselves money where we feel that we  
11 could save money while still informing the  
12 taxpayers of -- of what's going on within the  
13 district.

14 CHAIRMAN DALEY: Chairman Hess.

15 REPRESENTATIVE HESS: Thank you,  
16 Chairman Daley.

17 Just a question, maybe a statement.  
18 You said about making the mailings of -- of  
19 letters to individuals who ask about  
20 information and also a publication.

21 If you're going to be doing that, you  
22 might as well advertise in the newspaper. I  
23 don't see where you're going to make any big  
24 savings.

25 And another assumption here. I think

1 you're assuming that there's a large amount of  
2 people that have computers and are computer  
3 literate being able to find this information  
4 on the computer.

5 I think we're -- we're reaching  
6 there. I don't think the amount of people  
7 that have -- that you think have computers  
8 actually have them. Especially in the rural  
9 areas. I just don't think that every home has  
10 a computer.

11 And that's a concern of mine.

12 MR. PAWLING: Right.

13 REPRESENTATIVE HESS: Thank you,  
14 Chairman Daley.

15 CHAIRMAN DALEY: Representative  
16 Creighton.

17 REPRESENTATIVE CREIGHTON: Well,  
18 Brian, is there anything preventing you from  
19 putting that on your website now?

20 MR. PAWLING: Not at all. I've  
21 spoken to our communications director before I  
22 came today, and we would be able to post an  
23 icon on our home page of our website that  
24 would be specifically for legal notices and  
25 bid advertisements.



1           So it would be very clear to the  
2 public if they would go to our website where  
3 they could find that information. It would be  
4 no problem at all for our webmaster to update  
5 that on our site.

6           REPRESENTATIVE CREIGHTON: So, Brian,  
7 why don't you do it now?

8           MR. PAWLING: Really right now it's  
9 because of the advertising requirement that we  
10 have. We do publish some information on the  
11 website, but we haven't gotten into that realm  
12 because we weren't sure how it would fall  
13 legally within the school code.

14           So we just kept doing the legal  
15 advertisements in the newspaper as well as  
16 contacting vendors before we have a bid  
17 that's -- that's going out so they would have  
18 an opportunity to bid and participate.

19           REPRESENTATIVE CREIGHTON: Okay. The  
20 concept, as you see it, would be your own --  
21 you'd publish on your website.

22           MR. PAWLING: Correct.

23           CHAIRMAN DALEY: Talk -- talk in the  
24 mike, please. Try to get in the mike.

25           REPRESENTATIVE CREIGHTON: Yeah. So

1 you would publish on your own website. Would  
2 you perceive a statewide system that would --  
3 you would also publish to?

4 MR. PAWLING: Yes. If that was  
5 available to us, we would, yes.

6 REPRESENTATIVE CREIGHTON: Okay.

7 MR. PAWLING: Again, what we're  
8 looking to do is save money. And -- and --  
9 and through -- on our -- through publishing on  
10 our website, in speaking to -- to our  
11 communications director, it would take very  
12 little time in order for us to set that up if  
13 it would be, you know, legal for us to do  
14 that.

15 And then if there were a statewide  
16 system where we could put information out  
17 there in -- or electronically for people to  
18 view, I feel that -- that doing that would  
19 save us money. We would be able to  
20 participate in that without any additional  
21 time and expense to the school district.

22 REPRESENTATIVE CREIGHTON: Okay. If  
23 the legal notice had some modifications or  
24 changes they could be historically put in --  
25 in the website so you could see what you --

1 MR. PAWLING: Yes. We could update  
2 that instantly.

3 REPRESENTATIVE CREIGHTON: So you  
4 could see the list of changes, the history of  
5 the changes?

6 MR. PAWLING: Absolutely. Yes.

7 REPRESENTATIVE CREIGHTON: Okay.

8 MR. PAWLING: What we would -- what  
9 my plan and what our plan for our district  
10 would be, would be to publish the -- the legal  
11 notice or advertisement on our website. And  
12 if there were any addenda or changes to that,  
13 we would post it underneath it and highlight  
14 that, that there was a change.

15 And, again, the change would be -- in  
16 my opinion, it would get out to more people  
17 that have the Internet access because, instead  
18 of publishing a change one day in the  
19 newspaper, once the change is made, it can be  
20 updated instantly to our website and then be  
21 available for 24-hour viewing until the --  
22 the -- the time of the meeting or the bid  
23 opening.

24 REPRESENTATIVE CREIGHTON: Very  
25 good. Thank you.

1                   CHAIRMAN DALEY: Representative  
2                   McIlvaine-Smith.

3                   REPRESENTATIVE McILVAINE-SMITH:  
4                   Thank you, Mr. Chairman.

5                   I just wanted to make a comment  
6                   towards Chairman Hess's comment. First of  
7                   all, this is not a mandate. In the bill it  
8                   requires -- it allows a municipality or  
9                   government unit to continue advertising in the  
10                  newspaper. It does not require them to only  
11                  advertise on a website.

12                  So for those rural areas that cannot  
13                  afford to start a website, if they have none,  
14                  they want to continue, the ones that are only  
15                  spending \$258 a year to advertise in the  
16                  newspaper, have at it. They're allowed.

17                  Also, there's a Harris poll that was  
18                  recently put out, about 79 percent of adults  
19                  right now go online and spend 11 hours a day  
20                  on a computer.

21                  And also my son-in-law is a computer  
22                  geek, and he has a computer business. And he  
23                  and my daughter sign up for these RSS feeds --  
24                  don't ask me what that stands for -- but  
25                  throughout the entire world. What they do is

1 they sign up for these feeds to come to their  
2 site, to their e-mail, so that they can get  
3 that information.

4 My daughter subscribes to a feed from  
5 the United Kingdom, and my son-in-law has  
6 people that he, you know, has a feed that  
7 comes from Japan.

8 So you can sign up, if you're that,  
9 you know, advanced, and have everything coming  
10 to you. So if you're a business owner -- and  
11 I was a business owner for 28 years -- I could  
12 sign up and have all of those municipalities  
13 feeding into my site to tell me what they have  
14 advertised. So that concern, I don't think,  
15 is -- is real.

16 So thank you very much,  
17 Mr. Chairman.

18 CHAIRMAN DALEY: Representative  
19 Yudichak.

20 REPRESENTATIVE YUDICHAK: Thank you,  
21 Mr. Chairman.

22 And I'm glad you followed up on that  
23 point, Representative McIlvaine-Smith, because  
24 I think Representative Hess does have a  
25 point.

1           I think one of the main weaknesses of  
2     the bill -- and I have a concern -- is that if  
3     we are saying it is up to the school district,  
4     it is up to the municipality to elect and pass  
5     an ordinance and go to an electronic  
6     publication.

7           We have 501 schools districts. We  
8     have over 2700 municipalities. And everyone  
9     could be different in terms of their legal  
10    notice. We could have 501 different policies,  
11    2700 different policies on legal notices.

12          We have a great deal of  
13    fragmentations as it stands right now in terms  
14    of local government. So -- so that concerns  
15    me and perhaps you could address that. And  
16    then I have a question for Brian.

17          REPRESENTATIVE McILVAINE-SMITH:  
18    First of all, I would say that most of us  
19    are -- are living regionally so I'm not  
20    concerned about what Erie School District is  
21    doing as a private citizen. I'm not, you  
22    know, needing to -- to log in to find out what  
23    their public notices are.

24          Even with my water conditioning  
25    business, I'm -- I'm very regional. I stay --

1 I stayed within Chester County.

2 So if I were someone, again, in  
3 business, I could, you know, find out who is  
4 online and -- and feed it into my site all  
5 from Chester County if I'm in business.

6 If I'm a private citizen, most likely  
7 I'm only concerned about my West Chester  
8 School District, which is the only school  
9 district I have within my district. And my  
10 municipalities, I live in just one  
11 municipality. So as a private citizen I would  
12 really only be caring about what West Chester  
13 Borough is doing, although I do have three  
14 that surround us. I could certainly find out  
15 from that.

16 So I -- I think that that concern  
17 that -- that there be this fragmentation,  
18 let's think about regionally who's caring  
19 about where in this state, not -- I don't  
20 think there's one little person down in the  
21 southeast that's going to be concerned about  
22 all 2700 municipalities, 501 districts.

23 Let's think regionally.

24 REPRESENTATIVE YUDICHAK: Well, I --  
25 I -- I have eleven school districts in my

1 county, five in my individual district, and  
2 it -- it creates a problem for the taxpayer.  
3 It creates a problem, I think, for businesses  
4 that they're going to have to adapt to  
5 twenty -- potentially 2700 different rules of  
6 engagement when it comes to the bidding  
7 process.

8 And -- and folks that happen to live  
9 in the Greater Nanticoke Area School District  
10 do peek over the fence and are concerned what  
11 happens in the Wilkes-Barre School District  
12 because we are trying to think as a region  
13 rather than just a small community.

14 I'll take my next question to Brian.  
15 I -- the -- your area of expertise is in  
16 purchasing. In purchasing or other programs  
17 or other projects of the school district that  
18 receive federal funding, what are the federal  
19 guidelines and regulations that govern --  
20 govern legal advertisement at the federal  
21 level and how do they coincide with what we're  
22 talking about today?

23 MR. PAWLING: Well, for the -- for  
24 the majority of the projects that -- that we  
25 do the funding is from the local taxpayers in



1 construction and supply projects.

2 So in that case, we -- we do go by  
3 what the Pennsylvania school code says. And  
4 even with federal funding, we go by what the  
5 Pennsylvania school code says for the  
6 advertising in two publication for three  
7 weeks.

8 REPRESENTATIVE YUDICHAK: So  
9 you're --

10 MR. PAWLING: So we keep that  
11 consistent across the board for that,  
12 depending on where the funding is coming from.

13 REPRESENTATIVE YUDICHAK: So you're  
14 not under any federal regulation --

15 MR. PAWLING: No.

16 REPRESENTATIVE YUDICHAK: -- to  
17 advertise?

18 MR. PAWLING: Correct.

19 REPRESENTATIVE YUDICHAK: Thank you.

20 CHAIRMAN DALEY: Representative  
21 Mirabito.

22 REPRESENTATIVE MIRABITO: Yeah.  
23 My -- my concern is -- is the rural  
24 communities and also what I would call the  
25 pass-around factor.

1           If -- as many of us know, as the  
2 chairman mentioned, you can be in a restaurant  
3 and people will circle -- contractors will  
4 circle the legal -- legal notice for a bid and  
5 that newspaper will be passed around.

6           You know, I -- I deal with a lot of  
7 contractors. I know some who don't have  
8 Internet access -- who don't -- choose not to  
9 have Internet access. They don't want to  
10 learn. You know, they can, you know, replumb  
11 a house upside down, but they don't -- they  
12 don't want to get on the Internet.

13           And I think it's a great bill. I  
14 think it's a great idea. I think it might be  
15 premature at this time.

16           The first person who testified said  
17 that 70 percent of Americans had access to the  
18 Internet, I believe. Well, 30 percent without  
19 access, that's a large number. I'm just not  
20 quite sure that we're ready generationally to  
21 do it.

22           There are people who -- like myself,  
23 who still are not as adept technologically as  
24 you are, maybe several generations younger,  
25 and there are people who are in their 70s who

1 are not as adept. That's -- that's my  
2 concern.

3 MR. PAWLING: If I can respond, and  
4 just based on my experience from that in my  
5 position as purchasing manager, just looking  
6 at it from a vendor standpoint, again, we get  
7 very few vendors that contact us saying they  
8 did see our legal notice in the newspaper and  
9 then want to respond to our bid.

10 I believe in the last year we have  
11 had six responses and -- and out of those six,  
12 five had mentioned to me that they would have  
13 responded to us or requested the information  
14 had they seen the information on our website.

15 So from my experience, in my  
16 position, I haven't seen an influx of vendors  
17 contacting us for these projects because  
18 they've seen our legal notices. It could be  
19 different in different sectors of the state  
20 where, again, the -- the technology isn't as  
21 available to the public.

22 But in -- in our district we haven't  
23 seen that -- that request from vendors saying  
24 that we saw your legal notice in the  
25 newspaper.

1 CHAIRMAN DALEY: Thank you.

2 I'd like to acknowledge the presence  
3 of Representative Rosita Youngblood from  
4 Philadelphia County.

5 Dave Callen.

6 MR. CALLEN: Mr. Pawling.

7 MR. PAWLING: Yes.

8 MR. CALLEN: Following up on what  
9 Representative Mirabito had -- had mentioned  
10 when -- when Mr. Allwein testified, he said  
11 that 72.5 percent of Americans had Internet  
12 access and when you put that together with the  
13 potential requirement for mailing individual  
14 notices to folks who request it, if there's no  
15 newspaper advertising, and you know how these  
16 things tend to evolve, suddenly everybody  
17 decides to put their name on the list when  
18 they see that this is passed, has anybody done  
19 any kind of potential cost study? Because  
20 you -- you -- presumably you wouldn't simply  
21 have to give them a notice of meetings for the  
22 year. You'd also have to give them the  
23 notices of -- of projects being bid and then  
24 you couldn't be sending it through -- through  
25 bulk mail. You'd have to be sending it

1 through first class mail.

2 MR. PAWLING: Correct. Again, from  
3 my experience, just -- just the vendor side of  
4 things --

5 MR. CALLEN: I'm not talking about  
6 the vendor.

7 MR. PAWLING: Right.

8 MR. CALLEN: I'm talking about the  
9 public.

10 MR. PAWLING: Right. As far as I  
11 know, there have not been any cost studies  
12 to -- to see what that expense would be to the  
13 district if -- if that would have to be done.

14 But as of right now, I don't  
15 believe -- and I don't have the exact number  
16 and just working with our school board  
17 secretary, I don't believe there are many  
18 people that are on a list currently that are  
19 not getting a newspaper or do not have  
20 Internet access.

21 That number could potentially grow,  
22 but I do not know what the facts are or what  
23 that number would be.

24 MR. CALLEN: Thank you,  
25 Mr. Chairman.

1 CHAIRMAN DALEY: Joe Miller.

2 MR. JOSEPH MILLER: I'll ask you a  
3 question about your particular school  
4 district, because we're proceeding from the  
5 idea that we're going to save money through  
6 this bill.

7 Your school district, I guess, has a  
8 website that they use for a lot of purposes?

9 MR. PAWLING: Correct.

10 MR. JOSEPH MILLER: Would you --  
11 well, do you now -- you don't now, I take it,  
12 publish your legal notices or something  
13 similar to that on the website. Is that  
14 correct?

15 MR. PAWLING: Correct. Because the  
16 legal requirement, we -- we haven't moved  
17 forward on that. Just so that we weren't in  
18 any kind of violation of the school code.

19 MR. JOSEPH MILLER: And do you -- do  
20 you have a particular person on the school  
21 district staff that -- that handles that  
22 website that, like, keeps it updated?

23 MR. PAWLING: Yes. We do have a  
24 webmaster.

25 MR. JOSEPH MILLER: I would assume

1 that -- that you would have additional costs  
2 then if you're adding these legal notices. So  
3 your fixed costs would be a portion of that  
4 person's salary that would be associated with  
5 that -- is it one person or is it more than  
6 one?

7 MR. PAWLING: It's one, yes.

8 MR. JOSEPH MILLER: Okay. Got a  
9 sense of how much a webmaster like that would  
10 make in your school district?

11 MR. PAWLING: His annual salary, I  
12 believe, is in the mid 40,000s for our  
13 district.

14 As far as his time spent, if we would  
15 move forward in this, basically the process  
16 would involve us having the legal  
17 advertisement in a Microsoft Word document,  
18 which we already have, which is then printed  
19 and normally faxed to the newspaper.

20 We can e-mail or get that document to  
21 our webmaster electronically. He goes into  
22 our website, and in just a matter of a few  
23 seconds types the -- the information on the  
24 page that we would set up for that, posts a  
25 link to a -- to the document that's served on

1 our servers and he just hits an update button  
2 and it's automatically done on our site.

3 So it would take him about a -- you  
4 know, less than five minutes to take that Word  
5 document and put it on our website for the  
6 public to view.

7 MR. JOSEPH MILLER: So your belief  
8 then is that if you're paying 14,000 a year --

9 MR. PAWLING: Eighteen.

10 MR. JOSEPH MILLER: Is that what it  
11 is?

12 MR. PAWLING: Eighteen.

13 MR. JOSEPH MILLER: Eighteen  
14 thousand. That your costs then associated  
15 with going electronically, since you already  
16 have somebody on site that does that stuff, is  
17 de minimis?

18 MR. PAWLING: Yes. I would say it  
19 would be very minimal, yes.

20 MR. JOSEPH MILLER: Okay. Thank  
21 you.

22 CHAIRMAN DALEY: Representative  
23 McIlvaine-Smith.

24 REPRESENTATIVE McILVAINE-SMITH:  
25 Thank you, Mr. Chairman.



1           I just wanted to make a comment. I  
2       see that Representative Yudichak just left;  
3       but when he was talking about people that are  
4       concerned -- sort of peeking over the fence,  
5       as it were, as he said, how many newspapers  
6       must all those people buy and which days  
7       should they purchase?

8           Because once an advertisement has  
9       been sent into the newspaper by a government  
10      entity, they have a time frame when it must be  
11      published but you never know which day it's  
12      going to make it in.

13          So also I must point out that people  
14      who may not have a computer may possibly not  
15      even buy a newspaper. And what is -- you  
16      know, what is the actual circulation of  
17      newspapers? So not everybody is purchasing  
18      newspapers. I'm going to point that out.

19          But also computers are located in our  
20      public libraries. So there is access. You  
21      can go to a borough council meeting. You can  
22      go to the West Chester School District to --  
23      to a meeting. You can also get it on -- we  
24      have cable and they are covered, the meetings  
25      are covered on our local cable station.

1           So I wanted to lastly point out that  
2           in the bill, after adopting an ordinance or  
3           resolution under this HB 795, the government  
4           unit shall publish a legal advertisement once  
5           a week for successive weeks in one or more  
6           newspapers of general circulation within the  
7           jurisdiction of this government unit  
8           announcing that certain legal notices will in  
9           the future be posted on the government unit's  
10          website.

11           So I think we're covering all bases.

12           Thank you.

13           CHAIRMAN DALEY: Thank you.

14           Thank you, Mr. Pawling, for your  
15          testimony.

16           MR. PAWLING: Thank you.

17           CHAIRMAN DALEY: The next individuals  
18          who will be testifying will be Harold Miller,  
19          president of Lancaster Newspapers, Frank  
20          Gothie, publisher of the Delaware County  
21          Daily. They represent the Pennsylvania  
22          Newspapers Association.

23           The chair would like to acknowledge  
24          the presence of Representative Jim Wansacz who  
25          just joined us.

1                   And could everyone identify  
2 themselves for the record?

3                   MS. DEBORAH MUSSELMAN: Good morning,  
4 Mr. Chairman.

5                   CHAIRMAN DALEY: I don't know if that  
6 microphone is on.

7                   MS. MUSSELMAN: Can you hear me?

8                   REPRESENTATIVE McILVAINE-SMITH:  
9 Yes.

10                  MS. MUSSELMAN: Okay. It's on.

11                  Good morning, Representative Daley,  
12 Representative Hess, Representative  
13 McIlvaine-Smith. I'm Deborah Musselman,  
14 Director of Government Affairs with the  
15 Pennsylvania Newspaper Association.

16                  Two of our members are here today to  
17 testify with -- with us, Mr. Harold Miller  
18 from the Lancaster Newspapers, and to his  
19 left, Mr. Frank Gothie, publisher of the  
20 Delaware County Times.

21                  We -- they both have remarks  
22 prepared. They have not been distributed to  
23 you, but we would like to ask you to hold your  
24 questions until they both have -- have  
25 finished their presentation.

1 CHAIRMAN DALEY: That's fine.

2 MS. MUSSELMAN: Thank you.

3 CHAIRMAN DALEY: Go ahead, please.

4 MR. HAROLD MILLER: Good morning,  
5 Representative Daley, Representative Hess,  
6 Representative Smith.

7 Thank you for the opportunity to  
8 appear before you today to present our  
9 significant concerns about House Bill 795.  
10 I'm Harold Miller, president and CEO of  
11 Lancaster Newspapers in Lancaster,  
12 Pennsylvania; also Lancaster Farming and  
13 Lancaster County Weeklies.

14 Together these three companies  
15 publish six daily and three weekly newspapers  
16 that ranges from our 98,000 Sunday newspaper  
17 to our 86,000 circulation daily newspapers.

18 We serve the metropolitan Lancaster  
19 area with these community newspapers and in  
20 some cases with our weeklies we go into towns  
21 of 40,000 or less.

22 Why we oppose House Bill 795? House  
23 Bill 795 would authorize government agencies  
24 to post public notices on government-run or  
25 contracted websites instead of the

1 newspapers.

2           Of course, it is appropriate for  
3 Internet notice to supplement public notices  
4 published in newspapers. In fact, it's  
5 already happening on mypublicnotices.com, a  
6 website founded by the newspaper  
7 representatives and newspaper industry.

8           Internet notice alone, however,  
9 cannot supplement [sic] newspaper notices in  
10 today's society. There are still too many  
11 without Internet access and too many issues  
12 regarding accuracy, archiving, and permanency  
13 of Internet records.

14           Although government performs many  
15 functions, from a checks-and-balances  
16 perspective, it makes no sense for government  
17 to control the when, where, and how a  
18 particular public notice will be presented to  
19 the public.

20           Public notices must remain in  
21 newspapers of general circulation.

22           Under current law public notices are  
23 required for many projects undertaken by both  
24 private and public entities. Among other  
25 things, public notices let citizens know when

1 public meetings will be held, let businesses  
2 know about requests for proposals and the  
3 opportunities to bid on that business, let  
4 citizens know that local government ordinances  
5 that might affect them are under  
6 consideration, and let people know that  
7 property is for sale, such as sheriff --  
8 sheriffs' sales.

9           House Bill 795, unfortunately, would  
10 allow government agencies -- agencies to  
11 control all aspects of how all this and other  
12 information is presented to the public and  
13 remove the independent verification essential  
14 to our system.

15           In order to be effective, public  
16 notices must have four elements. They must be  
17 disseminated to a broad range of people. They  
18 must be verifiable so that citizens can make  
19 sure the notice was properly given. They must  
20 be archive -- archived so that they can be  
21 retrieved and verified in the future. And  
22 they must be published in medium independent  
23 of government.

24           Newspaper publication is the best way  
25 to satisfy all of these elements. Newspapers

1 provide the broadest, most consistent, and  
2 documented -- documentable dissemination.

3           Newspapers are widely available to  
4 both individuals and businesses. They are  
5 delivered to homes and business, mailed,  
6 available in newsracks and retail outlets,  
7 school, libraries, and many other public  
8 forums. And in 2009 read online in the tens  
9 and even hundreds of thousands daily.

10           In fact, despite the near consistent  
11 bad news about newspapers, newspaper  
12 readership is strong. More Americans read  
13 printed newspapers than watch the Super Bowl.

14           In 2008 the National Newspaper  
15 Association showed that 86 percent of adults  
16 read a newspaper every week. 99 percent of  
17 newspaper readers read local news, and 59  
18 percent of print readers never read the local  
19 news online.

20           Newspapers and their websites reach  
21 much larger audiences than ever before and  
22 much larger than government-run websites.

23           On the issue of moving all published  
24 notices to the Internet, there are real access  
25 problems. The U.S. Census Bureau shows that

1 in 2007 30 percent of Pennsylvania residents  
2 lacked Internet access. That figure was even  
3 higher for the elderly, for low income  
4 residents, and for those with less education.

5 Similarly, the Census Bureau  
6 indicated that 40 percent of the residents in  
7 Pennsylvania's major urban centers lack  
8 Internet access.

9 Newspapers notices are veri --  
10 verifiable and archived.

11 When a notice runs, a newspaper  
12 provides an affidavit. If someone has to  
13 prove in court that the proper ad -- proper  
14 due process was afforded, that affidavit and  
15 the witness behind it help the courts review  
16 the record. Tampering with this is risking  
17 due process.

18 Even if a website could print a form,  
19 is the webmaster going to come to court and  
20 testify about it?

21 Libraries and newspapers maintain  
22 bound volumes of [sic] microfilmed copies of  
23 editions for historical reference and  
24 verification.

25 Internet websites are vulnerable to



1 manipulation, loss of content, and technical  
2 change. As a result, they cannot easily  
3 provide a reliable, enduring record.

4 Newspaper notices are independent of  
5 government.

6 Allowing government agencies to  
7 control and post Internet notices would  
8 eliminate any independent verification and  
9 would expand government in a costly and  
10 inefficient manner.

11 Government-controlled notice is  
12 fundamentally flawed because it is not  
13 independent of the political forces that  
14 operate the websites. Given the low number of  
15 population visiting many government websites  
16 operated across the state, posting them is  
17 tantamount to shielding information from the  
18 public view.

19 Traffic visiting local government  
20 websites is very low. And we have a handout  
21 over on your display table that discusses the  
22 web traffic as accumulated by independent  
23 government websites.

24 On that regard, I looked into where  
25 the website was for the township I grew up in

1 in Lancaster County, Manheim Township. The  
2 Manheim Township website averages 210 people a  
3 day right now compared to 26,000 Manheim  
4 Township adults reading our newspapers every  
5 day.

6 I work in Lancaster city. The  
7 Lancaster city website averages 250 people a  
8 day. We reach 42,000 Lancaster city adults  
9 with our newspapers every day.

10 Internet notice would favor  
11 individuals or businesses that are in-the-know  
12 and would open government bidding and other  
13 actions to abuse and charges of cronyism.

14 Posting of controversial government  
15 actions could easily be manipulated to appear  
16 to have been posted timely or for other  
17 purposes.

18 Public notices in newspapers are part  
19 of a three-legged stool of government  
20 accountability.

21 Open record -- open record government  
22 laws guarantee the public's right to review  
23 past and present governmental actions.

24 Open meetings law guarantee the  
25 public's right to witness and participate in

1 current government decisions and discussions.

2 And public notices guarantee the  
3 public's right to be notified before  
4 government takes actions that will affect  
5 their property, their taxes, and other parts  
6 of their lives.

7 Last year, Pennsylvania legislators  
8 took a significant step forward and confirmed  
9 its commitment to open government with the  
10 passage of Act 3, which overhauled the state's  
11 open records law. The new law put the burden  
12 of proving that a record is not public on the  
13 agency.

14 House Bill 795, and it's companion  
15 bill, Senate Bill 419 put the burden of  
16 searching for information about what the  
17 government is up to on the citizen. This is a  
18 180-degree shift. It is counter to the  
19 democratic process and is a significant step  
20 away from open government.

21 Are newspapers a business? Yes, we  
22 are. We do receive money for publishing  
23 public notices.

24 We provide a needed service to the  
25 government like so many other, roads and

1 building contractors, office supply  
2 businesses, and public employees.

3 Newspapers provide an independent,  
4 verifiable, archived, community-based  
5 repository of meeting notices, zoning  
6 proposals and the like.

7 Newspapers are -- more than perhaps  
8 any other business serve the public interests  
9 by informing the public about government  
10 activities and spending.

11 They accomplish this [sic] for the  
12 greater access to government, fighting for  
13 public records, covering local meetings and  
14 court proceedings, and by publishing public  
15 notices in their newspapers.

16 Public notices belong in newspapers.

17 Thank you.

18 CHAIRMAN DALEY: Thank you,  
19 Mr. Miller.

20 MR. GOTHIE: Good morning,  
21 Representative Daley, Representative Hess,  
22 Representative McIlvaine-Smith.

23 Thank you for allowing me to be here  
24 to testify. I'm Frank Gothie, publisher of  
25 the Delaware County Daily and Sunday Times.

1 I'm also a former chairman of the Pennsylvania  
2 Newspaper Association and currently serve on  
3 the association's government affairs  
4 committee.

5 Mr. Miller has explained our  
6 perspective on the significance of public  
7 notices in our Democratic system. One of the  
8 most worrisome aspects of this proposal is the  
9 fact that it puts the burden on citizens to  
10 search for information about what government  
11 is up to.

12 Under the language of this bill, that  
13 search would require an average citizen to  
14 constantly monitor a large number of  
15 government websites.

16 Under the newspaper advertising act,  
17 government agencies are required to put bid,  
18 meeting, and other information out there, by  
19 advertising in general circulation. This  
20 public notice system has been in place for  
21 decades and citizens know exactly where to  
22 find the information they are seeking at very  
23 little cost.

24 This bill would allow government  
25 agencies to spread out public notices among

1 many websites and would require citizens to  
2 have both Internet access, and many do not,  
3 and sufficient time and sufficient  
4 sophistication to go to the correct individual  
5 agency websites and pages to locate specific  
6 notices.

7           It would require near-constant  
8 vigilance for a citizen to stay up-to-date on  
9 what the government is up to.

10           That's a significant cost to the  
11 average citizen. In fact, Pennsylvania  
12 newspapers have been uploading public notices  
13 to the Internet since 1999. I was there at  
14 the inception of My Public Notices.

15           Over 90 Pennsylvania newspapers  
16 participate in My Public Notices covering 80  
17 percent of the state's -- geographically,  
18 limited somewhat by broadband and Internet.

19           PN -- PNA first introduced its  
20 website as a value-added service to increase  
21 and the reach the notices -- the reach of the  
22 notices we publish and more papers go online  
23 every year.

24           Every legal notice that we publish in  
25 our newspaper goes on MyPublicNotices.com and

1 it's been doing that for the last ten years.

2 Under House Bill 795 there would be  
3 significant costs to establish and run the  
4 proposed Internet-based program. Ramping up  
5 agency websites would cost tens of thousands  
6 or more to develop it, maintenance and  
7 security, far beyond the current amounts  
8 paid. The cost would dwarf the figures  
9 agencies now report as Internet expenditures.

10 Furthermore, an effort to build  
11 robust, searchable websites to provide  
12 web-based notice would result in significant  
13 new expenditures, which state government would  
14 likely be asked to fund.

15 The cost of establishing a statewide  
16 website would be significant. The PNA  
17 submitted a right to know request to ascertain  
18 the cost of establishing and operating the  
19 Department of State's corporation bureau  
20 database.

21 The Department of State reported that  
22 it cost \$600,000 to start it up.

23 Average maintenance and operation  
24 costs were about \$60,000 annually from 2003 to  
25 2007 and about 300,000 in 2008 due to

1 upgrades.

2 The websites envisioned in Senate  
3 Bill 419 and House Bill 795 would also require  
4 a secure server, professional staff to  
5 maintain and manage, something to verify that  
6 the notice appeared online at the date and  
7 time required, and archiving it.

8 The Department of Community and  
9 Economic Development provided an estimate of  
10 \$250,000, along with concerns about spending  
11 this money. We believe that figure is low  
12 given the Department of State experience.

13 The costs to public notice  
14 advertising are relatively small.

15 And I might add, about three months  
16 ago, I sent a letter to every municipality in  
17 Delaware County and I asked them to please  
18 respond and tell me how much they spend every  
19 year on public notice advertising. In every  
20 case, the amount of money spent was less than  
21 one-half of one percent in the Delaware County  
22 municipalities and 80 percent of them  
23 responded to my request.

24 We understand the local governments  
25 are looking at many ways to save money, but we



1 believe that the damage to access and  
2 transparency under this proposal far outweigh  
3 any hypothetical savings.

4           Let me also add that under this bill,  
5 ads that are published in legal journals in  
6 Pennsylvania would be exempt. In other words,  
7 the communities and the political entities  
8 would have to still advertise in legal  
9 journals so that the figures that we used  
10 earlier today on how much is spent, not all of  
11 that would go away under this law.

12           I would also like to say that when  
13 Representative McIlvaine-Smith talked about  
14 Philadelphia spending \$4 million, much of that  
15 is because they chose to do so under the home  
16 rule charter.

17           Newspapers are, of course, willing  
18 and interested in working with government  
19 agencies to provide and promote public notices  
20 in a cost effective way. But this cannot come  
21 at the expense of public access to  
22 accountability in government as proposed by  
23 these bills.

24           The newspaper act includes very basic  
25 language about rates as compared to some other

1 states' laws. We realize that newspapers and  
2 legal journals charge municipal advertisers a  
3 wide range of rates across the state.

4 Because public advertising is a  
5 public trust that we take very seriously, we  
6 believe some changes are appropriate.

7 We recognize that almost four years  
8 have elapsed since the initial set of bid  
9 limit bills that we negotiated passed the  
10 House, and we have withdrawn our objections to  
11 the package of bills now before the Senate  
12 Appropriations and House Local Government  
13 Committee that substantially increase the  
14 dollar threshold amounts under which public  
15 contract work must be advertised.

16 This is subject, of course, to  
17 ongoing review of subsequent revisions and  
18 proposals beyond the original package of  
19 bills. In fact, organizations representing  
20 workers and contractors still worry about the  
21 members missing out on the chance to bid on  
22 government contracts if the dollar thresholds  
23 are increased.

24 We have also posed no objection to  
25 the efforts of certain municipalities, such as

1 the Borough of Middletown, that provide  
2 electricity to their residents to control  
3 costs by purchasing power in the spot market,  
4 which involves adding energy purchases to the  
5 list of contracts that do not require  
6 advertising requirements, bidding, or price  
7 quotations.

8 Finally, we are now proposing, as we  
9 first did in May before the Judiciary  
10 Committee, a revision to our state law to add  
11 more formal rate language to ensure that  
12 public advertisers receive the best available  
13 commercial rate for the newspaper -- from the  
14 newspapers serving their municipalities. We  
15 stand ready to work with you on specific  
16 language.

17 In conclusion, House Bill 795 puts  
18 government in charge of policing its own  
19 performance in a way that is detrimental to  
20 both government and taxpayers.

21 It charges state and local  
22 governments with reaching into the private  
23 sector to take work away from hundreds of  
24 taxpaying businesses and employers and forces  
25 the diligent citizen into a daily search for

1 the information he needs in order to monitor  
2 his local government or seek to do business  
3 with it.

4 It fixes what isn't broken and  
5 creates more problems. Newspaper publication,  
6 supplemented by MyPublicNotices.com, an  
7 Internet-based database, protects public  
8 access.

9 Our rate cap proposal provides  
10 concrete relief to municipalities looking for  
11 savings in their budgets and protects the  
12 voters' right to know what their government is  
13 planning.

14 Thank you very much.

15 CHAIRMAN DALEY: Thank you. Thank  
16 you.

17 Gentlemen, you can answer this  
18 question. We all know the world is changing  
19 in terms of how we all get our -- our  
20 information. With the advent of the Internet  
21 we've seen it's tremendous impact on society.

22 I think the direct impact has been  
23 felt by publications. You can elaborate on  
24 this if you so desire, but I really believe  
25 that I've seen and heard that many newspapers

1 now are having difficult times because of the  
2 Internet.

3 Some newspapers have ceased to  
4 operate. Some have gone to a different  
5 schedule. Some people are now charging -- the  
6 newspapers are charging for access to their --  
7 their front page via the Internet because the  
8 world is changing very rapidly in terms of  
9 that information source.

10 Be that said, what percentage of your  
11 business is derived from legal advertising  
12 generally speaking?

13 MR. GOTHIE: I could speak for the  
14 Delaware County Daily Times. About \$1.1  
15 million is the revenue we receive annually for  
16 legal notices placed by all types of  
17 government entities.

18 And it's a good point you raise about  
19 the difficult times that newspapers are now  
20 operating in. There's no question that  
21 these -- this is a very difficult  
22 environment.

23 Our fortunes rise and fall on the  
24 fortunes of our advertisers. We all know what  
25 the automobile industry is going through right

1 now. The real estate markets are depressed in  
2 most of the state in terms of new houses and  
3 existing homes, home sales. The employment  
4 category, help wanted ads are down  
5 significantly.

6 And if I might add, this would be a  
7 terrible time for the government to step in to  
8 a private business and take away revenue.

9 And that concerns me, too, and it  
10 concerns our employees and the union that  
11 represents our employees. As a matter of  
12 fact, Senator Erickson was kind enough to stop  
13 by and see us a couple months ago to discuss  
14 several issues, and unbeknownst to me our  
15 employees presented Senator Erickson with a  
16 petition to, please, do everything he could to  
17 defeat the senate bill that would take revenue  
18 and perhaps jobs from our newspaper.

19 Again, this is, in my view, a matter  
20 of the government taking away business from  
21 private industry.

22 MR. HAROLD MILLER: I'd like to  
23 separate your comments between the business  
24 model of a newspaper and the circulation of a  
25 newspaper, because I think this committee is

1 looking at how it circulates, how it's used,  
2 and how people can get access to the  
3 information we write.

4 In terms of circulation, the  
5 Newspaper Association of America has reported  
6 that between 2007 and 2008 newspaper  
7 circulation overall has dropped 1.7 percent.  
8 Very, very minor.

9 If you look at a lot of the reasons  
10 behind those drops, it gets back to the  
11 business model. A number of major group  
12 owners, the Tribune Company, Lee Enterprises,  
13 McClatchy have had problems because of their  
14 debt loads and in many of those newspapers  
15 they've decided to eliminate circulation in  
16 far-out areas because we're talking major  
17 markets with those particular properties.

18 You're talking a lot of circulation  
19 they voluntarily took off the table. They do  
20 not want to stretch out to another state or  
21 five counties away from their home base.  
22 That's impacting the national circulation  
23 numbers.

24 When you factor that into the 1.7  
25 lost by the industry over the last two years,

1 it becomes a wash. Newspapers aren't losing  
2 circulation. We're still reaching people.

3 In terms of Internet access, I speak  
4 to the -- the point that 70 percent of the  
5 people do have Internet access, but I liken  
6 Internet access to walking into a convenience  
7 store.

8 There's lots of messaging in that  
9 convenience store. There's lots of messaging  
10 on the web. If I were selling Pennsylvania  
11 Dutch license plate holders and I had an ad in  
12 Motor Trend, what would the odds be that I  
13 walked into a convenience store, went over to  
14 Motor Trend, bought the magazine, and on Page  
15 37 was the ad for the license plate if I was  
16 selling license plates.

17 Same goes for the web. I'd have to  
18 go onto the web, type in [www.motortrend.com](http://www.motortrend.com)  
19 to get that particular ad.

20 If I ran that ad in a local  
21 newspaper, 205,000 Lancaster County adults  
22 would have seen it because they're reading the  
23 editorial copy adjacent to it.

24 What's the chances of reaching people  
25 with a get -- with a shot on the web or a



1 convenience store where 70 percent traffic is  
2 there but who actually sees the messaging  
3 involved? And that's what we're talking about  
4 today. Developing messaging on a regular  
5 basis to people who accept the newspaper into  
6 their homes every day and read it.

7 And that's the tone of what I've  
8 heard here before, in terms of contractors,  
9 business people get into the columns because  
10 they read the paper knowing it's a repository  
11 of information. They're looking and seeking  
12 out that information.

13 CHAIRMAN DALEY: Well, I appreciate  
14 your answer, but you didn't answer the  
15 question.

16 My question was what percentage of  
17 your business is derived from legal  
18 advertising? If you don't want to answer,  
19 that's fine. But I think for the General  
20 Assembly to understand its impact on you, we  
21 need to know -- and I know it's kind of  
22 proprietary -- we need to know really directly  
23 how we --

24 MR. HAROLD MILLER: We have a -- we  
25 have a private business. Our total numbers

1 are just where Frank's are, about 1.2, 1.3  
2 million.

3 CHAIRMAN DALEY: I understand that.

4 MR. HAROLD MILLER: Yeah.

5 CHAIRMAN DALEY: But where we're  
6 going --

7 MR. HAROLD MILLER: I'd prefer not to  
8 go into the percentage.

9 CHAIRMAN DALEY: The percentage  
10 crosses -- I mean generally it's probably the  
11 same across the board throughout the state.  
12 All I'm saying is, is it 25 percent of the --  
13 the business you generate? Is it 50 percent?  
14 How is this going to impact you if we do pass  
15 this law?

16 MR. HAROLD MILLER: Let's say three  
17 percent.

18 CHAIRMAN DALEY: I'm sorry?

19 MR. HAROLD MILLER: Three.

20 CHAIRMAN DALEY: It's less than three  
21 percent?

22 MR. HAROLD MILLER: I said it's  
23 three. I also -- let's just say that.

24 CHAIRMAN DALEY: No. I want you to  
25 say that. You said it's three?

1 MR. HAROLD MILLER: Three percent.

2 CHAIRMAN DALEY: Three percent.

3 Okay. That's fair enough. I appreciate the  
4 answer.

5 Have the rates for legal advertising  
6 over the last ten years increased, stayed the  
7 same, or have gone down?

8 MR. HAROLD MILLER: I'm sure they've  
9 gone up slightly every year. Again to deliver  
10 our product to our readers, our subscribers,  
11 we drive, for instance, 38,000 miles a week to  
12 deliver our newspaper. The cost of just  
13 transportation and cost of distributions with  
14 our individual distributors and carriers  
15 increases over time. There has been slight  
16 adjustments to that rate. That rate is still  
17 at the bottom of our classified scale in terms  
18 of where we position legal rates. But they  
19 have increased.

20 CHAIRMAN DALEY: Questions?

21 Representative Siptroth.

22 REPRESENTATIVE SIPTROTH: Thank you  
23 very much, Mr. Chairman.

24 Frank, I just have one question, and  
25 it's -- well, maybe it's more of a comment

1 than it is a question.

2 When you started out your testimony,  
3 you indicated that by going to an Internet  
4 advertising would require citizens to search  
5 out a particular advertisement, legal  
6 advertisement.

7 But don't you have to do that in a  
8 newspaper as well? It just doesn't jump out  
9 at you. You have to actually turn the pages  
10 and you find the legal advertisement section  
11 and you have to search down to see what  
12 particular story or what particular  
13 advertisement is of interest to the  
14 individual. And I -- I just kind of think  
15 that that was somewhat unfair.

16 Secondly, circulation or the  
17 distribution of the papers are varied. Some  
18 individuals get them at the local stand with  
19 their morning coffee. Some individuals get  
20 them and have to go outside of their home to  
21 retrieve them from a box that might be in the  
22 rural setting. And some people get them from  
23 their front porch if the paper boy, paper  
24 delivery person is pretty accurate in tossing  
25 those papers.

1           So I -- I don't -- I don't see the  
2           correlation between the inconvenience that you  
3           were trying to, I think, point out -- and  
4           maybe you could clarify that -- the  
5           inconvenience between using the computer and  
6           using the hard paper distribution means.

7           MR. GOTHIE: Well, about the -- about  
8           the point of position of the local -- of the  
9           legal ads in the newspaper, I've been at the  
10          Daily Times for 30 years and 10 years prior to  
11          that I was at the Philadelphia Bulletin, and  
12          during that time legal ads always appeared  
13          anchored in the same position, in the  
14          classified section.

15          It's where we feel we have developed  
16          a -- a marketplace, if you will, for people  
17          who want to seek out that information. They  
18          know that's where it is. It's been there for  
19          40 years. If I want to read it and see what's  
20          going on, that's where I go, to the classified  
21          section.

22          The -- the effort, I think, to  
23          find -- if West Goshen Township, where I live,  
24          were to cease putting public notices in the  
25          daily local news, the newspaper I read in my

1 community, and put it on their website, I  
2 would have to go to my computer, go to West  
3 Goshen Township's website, look for their link  
4 for their public notice ads, click on that  
5 link, and then search a database on a 17-inch  
6 screen to go down and find out, okay, what is  
7 it that they're doing, and then read each one  
8 before I'd get to the meat of it.

9 I don't think there's any -- it's --  
10 it's any more inconvenient to find a legal ad  
11 in the newspaper than it is on a -- on a  
12 computer.

13 I'm sorry. The second part of your  
14 comment I just -- escapes me right now. If  
15 you'd like to repeat it, I'll try to answer  
16 it.

17 REPRESENTATIVE SIPTROTH: No. I  
18 think -- I think you've pretty much --

19 MR. GOTHIE: Okay.

20 REPRESENTATIVE SIPTROTH: -- answered  
21 my question and --

22 MR. GOTHIE: Okay.

23 REPRESENTATIVE SIPTROTH: Although  
24 you in your initial statement, you indicated  
25 that there would be, in fact, more

1 inconvenience using a computer. At least  
2 that's my interpretation of what you said.  
3 And you just recently stated that it's --  
4 there's no more inconvenience either way.

5 MR. GOTHIE: Okay. I think we can  
6 agree to disagree on that. But I think the  
7 larger issue is that this bill, if it were  
8 law, would now place the onus of finding that  
9 information on the citizen.

10 They -- they would have to have a  
11 computer. They would have to be literate to  
12 navigate through the computer's access  
13 websites and to use that, we're saying, is an  
14 inconvenience and it kind of reverses what the  
15 legislature did last year regarding open  
16 records.

17 It puts the onus on the citizen and  
18 not on the government where it belongs to --  
19 to make information available to the public.

20 REPRESENTATIVE SIPTROTH: I think we  
21 could argue this all day but I'm not going  
22 to.

23 Thank you very much, Mr. Chairman.

24 CHAIRMAN DALEY: I'm sure you'll have  
25 a forum to do that.

1 Representative Longietti.

2 REPRESENTATIVE LONGIETTI: Thank you,  
3 Mr. Chairman. Thank you for your testimony.

4 I want to get at the independent verification  
5 part. I understand the public access, and I  
6 understand that about 30 percent of the people  
7 don't have Internet access at their homes.

8 That makes sense to me.

9 But a lot was said -- at least a fair  
10 amount was said about independent  
11 verification, that somehow the legal notices  
12 in the newspaper results in independent  
13 verification.

14 I want to get at what that means.  
15 Because -- tell me if I'm wrong -- what it  
16 does mean in my mind is, say, for example, the  
17 sheriffs' sales are published, and we get  
18 those in our newspapers and there are pages of  
19 them.

20 If somebody at the newspaper doesn't  
21 sit down and read each and every notice and  
22 verify, yes, this is the house that is up for  
23 sheriffs' sale and, yes, this is the amount of  
24 taxes that are owed on that house, et cetera,  
25 et cetera, tell me what you mean by



1 independent verification and tell me if I'm  
2 wrong in what I just stated.

3 MR. HAROLD MILLER: When we get legal  
4 notices in from the -- the county, they go  
5 through a system where we review them to make  
6 sure it's accurate, we type it up, send it  
7 back, and it's double checked and then it's  
8 published. I --

9 REPRESENTATIVE LONGIETTI: But it's  
10 accurate in terms of this is the information  
11 that the county gave us and what we have typed  
12 in the newspaper is the same as what they gave  
13 us. Right?

14 MR. HAROLD MILLER: That's our  
15 verification process at that point. We take  
16 it, put -- enter it into our system. A lot of  
17 times it's done electronically but still it's  
18 95 percent accurate. So we even make sure  
19 we're right on our paperwork and then we shift  
20 it back to them to make sure we're absolutely  
21 right on their side.

22 REPRESENTATIVE LONGIETTI: So what it  
23 doesn't get at, if the information that they  
24 give you is wrong or inaccurate, it doesn't  
25 catch that.

1           In other words, the house for sale  
2           was really not at 300 State Street, it was at  
3           200 State Street, but the information they  
4           gave you said 300 State Street. You don't go  
5           out and check and make sure it is 300 State  
6           Street. You're relying on what they give  
7           you.

8           MR. HAROLD MILLER: And we wouldn't  
9           check if Boscov's has the ski boots for sale  
10          at 24.95 instead of 29.95.

11          REPRESENTATIVE LONGIETTI: So that's  
12          what I'm getting at, is I don't -- I don't see  
13          the point of independent verification. That's  
14          really -- at least in my mind, independent  
15          verification is going out and making sure the  
16          information is accurate.

17          They're going to do the same thing  
18          when they put it on their website. Whatever  
19          they put on is what they put on. Just like  
20          whatever they give you is what they give you.  
21          If it's inaccurate, it's inaccurate. If it's  
22          accurate, it is.

23          I -- I don't see how there's really  
24          any independent verification. It's -- it's  
25          all based on the information that they give

1 you. You're relying on them that they're  
2 giving you accurate information.

3 MR. GOTHIE: Representative, I think  
4 part of the independent verification is the  
5 fact that we provide a notarized affidavit  
6 that the notice that was sent to us by the  
7 municipality did, in fact -- was, in fact,  
8 published on such and such date.

9 We'll attach a copy of the ad, along  
10 with the affidavit of performance, so that  
11 if -- if someone were to raise a question  
12 about whether or not this -- this government  
13 activity had -- had fulfilled the requirements  
14 of advertising, it's there in black and white  
15 for them to see.

16 And it's verified by the newspaper.  
17 That is part of the verification.

18 REPRESENTATIVE LONGIETTI: And I  
19 understand that. So you verify that it was,  
20 in fact, printed in the paper that day.

21 MR. GOTHIE: Yes.

22 REPRESENTATIVE LONGIETTI: But you're  
23 not verifying that the -- that the legal  
24 notices are factually correct.

25 MR. GOTHIE: No. We -- we trust the

1 government that we know that what they're  
2 going to give us is right.

3 REPRESENTATIVE LONGIETTI: Right.

4 MR. GOTHIE: Okay.

5 REPRESENTATIVE LONGIETTI: Let me ask  
6 this question. Do -- I know my newspaper  
7 does. I'm interested in if your newspapers  
8 do.

9 The legal notices are published in  
10 the back of the newspaper. They're published  
11 in the classified section. They are published  
12 in small print, by the way.

13 I think there was some discussion  
14 about a 17-inch computer. In my -- in my  
15 newspaper they're in rather small print.

16 But when it comes to public meetings,  
17 my newspaper as a service, typically on Page  
18 2, will print: Here is the meeting schedule  
19 for the week or for the day.

20 Do you all do that in your  
21 newspapers?

22 MR. HAROLD MILLER: We do in  
23 Lancaster.

24 REPRESENTATIVE LONGIETTI: Okay.  
25 And?

1 MR. GOTHIE: Yes, we do.

2 REPRESENTATIVE LONGIETTI: And? I'm  
3 sorry.

4 MR. GOTHIE: I'm sorry. We do.

5 REPRESENTATIVE LONGIETTI: Now, this  
6 law, if this law were to go in -- into effect,  
7 nothing prevents you from continuing to do  
8 that. Tell me if I'm wrong.

9 MR. HAROLD MILLER: The information  
10 we print is the notice of the meeting, where  
11 it's to be held, the date and the time. It  
12 does not go into agenda items or specifics.

13 It's -- it's a general call for  
14 information of -- of where -- of where the  
15 meeting is held.

16 REPRESENTATIVE LONGIETTI: And the  
17 notices that are in the classified section by  
18 and large will say that there's a meeting of  
19 the school board tonight and it doesn't print  
20 the agenda for that meeting as well. Isn't  
21 that accurate?

22 MR. GOTHIE: Well, there could be  
23 other information in other types of legal  
24 notices that get into bidding, for example, or  
25 contracts that are going to be awarded. There

1 may be something like that.

2 REPRESENTATIVE LONGIETTI: Right.

3 No. I'm just getting at the notice of the  
4 actual --

5 MR. GOTHIE: Right.

6 REPRESENTATIVE LONGIETTI: The actual  
7 meeting notices. As I stated earlier, my  
8 newspaper made a big deal about Senator  
9 Robbins wants secret meetings.

10 The fact is -- and tell me if I'm  
11 wrong -- that the notification part is still  
12 the same if this law were to take effect. In  
13 other words, if your newspaper tells that  
14 public body, we want notice of your meeting  
15 schedule, they will provide you with written  
16 notice of that meeting schedule. And there's  
17 nothing that prevents you as a public service,  
18 like you do right now, of printing that  
19 meeting schedule on Page 2 or somewhere  
20 prominent in your newspapers.

21 Tell me if I'm wrong on that.

22 MR. HAROLD MILLER: There's nothing  
23 to prevent it, no.

24 MR. GOTHIE: That's right.

25 REPRESENTATIVE LONGIETTI: Okay.

1 And -- and you do that today because you  
2 recognize that there are lots of people that  
3 don't go back into the classified section and  
4 pour through the notices to find out when  
5 their meetings are. You recognize that it's  
6 very important to put those on Page 2 or  
7 somewhere prominent in the newspaper.

8 MR. HAROLD MILLER: Well, it's an  
9 editor's decision to determine -- in looking  
10 at our community as a whole and all of our  
11 townships to put a roster of a governmental  
12 calendar up to the public based on his news  
13 budget for that particular day.

14 He has X number of columns. Say it's  
15 90 columns. And he looks at how he's going to  
16 utilize that -- those columns to communicate  
17 information. So the degree with which he puts  
18 that in the newspaper is subject to other  
19 considerations and -- and publishing the news  
20 of the day in the community.

21 REPRESENTATIVE LONGIETTI: You  
22 mentioned -- your web -- you have a website  
23 MyPublicNotices.com. I've not visited that  
24 website personally, but apparently it collects  
25 public notices and puts them on the Internet.

1           Could that not be a single source? I  
2 think in your testimony you talked about,  
3 well, gee, people might have to look at, you  
4 know, the school district website and the  
5 county website and the municipality website,  
6 could that not be a single source where I  
7 could go on and find all my public notices?

8           MR. GOTHIE: Well, it is. It is a  
9 source and has been a source for ten years now  
10 of Internet database -- database access.

11           In other words, it's -- it  
12 compliments the printed notices that we put in  
13 the paper and we do it as an added value. We  
14 don't charge the municipality any extra  
15 money --

16           REPRESENTATIVE LONGIETTI: Right.

17           MR. GOTHIE: -- to put it there. But  
18 we feel that if there are people who want to  
19 use the Internet and choose not to use the  
20 newspaper, it's there and it's been there.  
21 And it's a very convenient website to use. If  
22 you get a chance you ought to type -- type  
23 in --

24           REPRESENTATIVE LONGIETTI: I will.

25           MR. GOTHIE: --



1 www.PublicNotices.com -- MyPublicNotices.com.

2 MS. MUSSELMAN: Excuse me. I just  
3 thought I would add. The website has a  
4 searchable function as well.

5 So that, for example, a building  
6 contractor, someone who is interested in  
7 certain kinds of jobs, can use the website and  
8 do -- conduct a search for specific kinds of  
9 contracts and bids that are up on the site  
10 for -- for his potential -- for his  
11 opportunity to do business.

12 In fact, that's -- that's basically  
13 the business model of that website, is the  
14 search capacity. And it's -- it's now part of  
15 a national website. If you go to  
16 MyPublicNotices.com, the basic home page takes  
17 you to a national shot, and then you click on  
18 Pennsylvania and then there's the 90  
19 Pennsylvania papers that are taking part.

20 But there's also the -- the key word  
21 subject function search as well.

22 REPRESENTATIVE LONGIETTI: My last  
23 question -- and this is maybe a little bit of  
24 a crystal ball question, but, yeah, I know I  
25 digitally subscribe to my local newspaper.

1           And they -- they're pushing folks in  
2           that direction. Obviously they can't mandate  
3           it at this point. But I've heard people say,  
4           you know, the future of newspaper is it's  
5           going to be digital.

6           What are -- what are your views on  
7           that and how far off are we until by and large  
8           newspapers aren't a hard copy but they're a  
9           digital source of information?

10           MR. GOTHIE: I don't think a ink --  
11           ink on paper is ever going to go away  
12           completely. I think it will continue to have  
13           a base of support among readers who want to  
14           have something that they can hold in their  
15           hand and flip the pages. There's something  
16           about that that some people will just not let  
17           go of.

18           But we also recognize that there's a  
19           significant amount of people who are more  
20           digitally oriented and they want to use the  
21           Internet. So we are more and more getting  
22           involved in presenting content on  
23           DelcoTimes.com in that format to satisfy that  
24           percentage of our audience that want it.

25           So when you combine the readership of

1 the print product and the 1.7 million page  
2 views that we get every month on our website,  
3 we feel that we're doing not only the  
4 community a service but we're also doing  
5 ourselves a service of broadening our audience  
6 and our availability to sell advertising.

7 MR. HAROLD MILLER: Speaking for the  
8 Lancaster situation, which obviously I'm  
9 familiar with, we have our E-editions which is  
10 a registration-only accessible website that  
11 lets you go page by page through the daily  
12 newspaper. We charge for it, 4.95 a month,  
13 for those who want to independently purchase  
14 only a digital edition, or we give it free of  
15 charge for people that already subscribe as an  
16 extension to their subscription. So if  
17 they're out of town on vacation, if they want  
18 to go back and look at an easy archive,  
19 because we archive two weeks, I missed the  
20 story, it's there for their convenience.

21 We ask they register. Approximately  
22 just short of 25 percent of our subscribers  
23 have registered for the extended value in the  
24 digital.

25 In terms of the standalone, those

1 paying 4.95 we're a little over 300. A huge  
2 difference. So it's -- I'm not questioning  
3 it's not headed in that direction, but it's  
4 very slow in getting there.

5 In terms of our circulation of our  
6 printed product, over each of the last eight  
7 months we've had a gain in circulation. We  
8 see people more and more getting into local  
9 newspapers, be concerned about their  
10 community, and they know the repository is our  
11 local print.

12 So we see circulation growth of the  
13 printed edition and a strong growth of people  
14 wanting the digital extension that they do  
15 subscribe for convenience.

16 But we don't see a transition that  
17 you're alluding to. And you said it's a  
18 little crystal ball. Could that happen? To  
19 some degree.

20 But I'm certainly agreeing with Frank  
21 that long term we still see print as a viable  
22 option for communicating information to our  
23 community.

24 CHAIRMAN DALEY: Thank you very  
25 much.

1 REPRESENTATIVE LONGIETTI: Thank you.

2 CHAIRMAN DALEY: We have -- we're  
3 running short on time. I want to make sure --  
4 it's so important that questions are offered  
5 to you.

6 I'm going to have the next three  
7 test -- panelists of testifiers testify  
8 together. So I'll just acknowledge and let  
9 them know that that's going to happen.

10 Representative McIlvaine-Smith.

11 REPRESENTATIVE McILVAINE-SMITH:

12 Thank you, Mr. Chairman.

13 I just wanted to bring up, you all  
14 had been very clear that, you know,  
15 independent -- newspapers are independent of  
16 government and political forces. It's  
17 tantamount of shielding info from public view,  
18 it's abuse and cronyism, shifts burden onto  
19 the public, what government is up to, that  
20 it's policing its own performance.

21 But I'd like to say that newspapers  
22 are not reporting when they're publishing  
23 legal notices. As Representative Longietti  
24 pointed out, you're simply taking the  
25 information that you were given by the

1 government entity and publishing it in your  
2 newspaper. Correct?

3 MR. HAROLD MILLER: That's the  
4 business.

5 MR. GOTHIE: Well, yes. But our  
6 whole reason for existence is to provide  
7 information to an audience so it's -- it's not  
8 necessarily what a reporter has written and an  
9 editor has edited. It's all types of  
10 information. Paid advertising, commentary,  
11 letters to the editor, weather reports.

12 REPRESENTATIVE McILVAINE-SMITH: No.  
13 No. I mean what you're saying is that HB 795  
14 would take away that independence of -- of --  
15 that you would -- that your newspapers are  
16 giving the government an opportunity to, you  
17 know, publish their legal advertisings so that  
18 they are, you know, not abusing, not having  
19 cronyism so the burden is not on the public to  
20 find out, you know, what's going on in  
21 government.

22 You're saying that, you know, HB 795  
23 will be allowing government to police its own  
24 performance. But my point is is that  
25 newspapers are not reporting on these legal

1 ads.

2 They're simply taking the information  
3 that they're given and putting them in the  
4 classifieds. They're just printing what they  
5 were given and you even said, Frank, that we  
6 trust the government.

7 MR. GOTHIE: I was responding to --

8 REPRESENTATIVE McILVAINE-SMITH: I  
9 know.

10 MR. GOTHIE: -- Representative, about  
11 the --

12 REPRESENTATIVE McILVAINE-SMITH: But  
13 I thought it was odd that with all this, you  
14 know, government is bad. We've got to -- you  
15 know, you're the third-legged stool. You're  
16 the fourth estate.

17 But this is just simply legal  
18 advertising. Isn't the real reason you're so  
19 concerned is it's not so much about that --  
20 it's less than one-half of one percent of what  
21 municipalities or government entities are  
22 spending. It's how much you're going to  
23 lose.

24 Because if you're talking about 1.2  
25 billion? I think, Frank, you said -- no, 1.1

1 billion and then --

2 MR. GOTHIE: Million, not billion.

3 REPRESENTATIVE McILVAINE-SMITH:

4 Million. Oh, okay. Million. Sorry. Sorry.

5 Sorry. And then -- and then, Chip, you said

6 1.2, 1.3, and then you just said, let's say

7 three percent but that's not -- that's pulling

8 the number out of the air. Correct?

9 MR. HAROLD MILLER: I don't -- I  
10 don't pull numbers out of the air.

11 REPRESENTATIVE McILVAINE-SMITH: So  
12 it's actually three percent?

13 MR. HAROLD MILLER: I'll stand --  
14 I'll stay with that number.

15 REPRESENTATIVE McILVAINE-SMITH:  
16 Okay.

17 MR. GOTHIE: The point about the  
18 independent -- I think the issue with us is  
19 that if it were legal for municipalities not  
20 to use newspapers and the only source of  
21 advertising their business was what they  
22 wanted to put on their website by their  
23 webmasters on -- at their complete control as  
24 to what goes up and what goes down, how it's  
25 worded, that to me takes a very important



1 element out of the process of keeping the  
2 public informed.

3 REPRESENTATIVE McILVAINE-SMITH: Have  
4 you read HB 795?

5 MR. GOTHIE: If it's 419 rewritten,  
6 yes, I have.

7 REPRESENTATIVE McILVAINE-SMITH:  
8 Okay. Well, it says what -- what government  
9 must do and it even says on Page 8, Number 6,  
10 the government unit shall provide for  
11 certification indicating the legal notice was  
12 electronically published for the period  
13 required under Paragraph (5) (i) and the  
14 beginning and ending dates of the continuous  
15 electronic publication of the legal notice.  
16 The certification shall be a printed or  
17 written statement identifying the Internet  
18 website on which the electronically notice was  
19 posted. A copy of the legal notice, exactly  
20 as electronically published, shall be attached  
21 to the certification. The certification shall  
22 also state that all of the allegations of the  
23 statement as to the time, place and character  
24 of publication are true. The certification  
25 shall be signed by an official or employee of

1 the government unit responsible for  
2 electronically publishing legal notices and an  
3 agent of the notice website contractor, if  
4 applicable.

5 Senator Pileggi has added an  
6 amendment to SB 419 that all notices published  
7 online must be mailed by first class mail or  
8 facsimile to a newspaper of general  
9 circulation no later than the date the notice  
10 is posted on the notice website and provides  
11 for an e-mail system to notify individuals who  
12 registered with the government unit.

13 So that way, you know, they are able  
14 to certify and verify that it has been  
15 published and then that will allow you all,  
16 third leg of the stool, fourth estate, it can  
17 be sent to you and you can still publish  
18 them.

19 MR. GOTHIE: But that's --

20 REPRESENTATIVE McILVAINE-SMITH: You  
21 can still do your public service --

22 MR. GOTHIE: Yes, you're right. But  
23 that's --

24 REPRESENTATIVE McILVAINE-SMITH: --  
25 as you've been saying and put them in your

1 paper.

2 MR. GOTHIE: The  
3 certification/verification process that you  
4 read about in the bill, that's -- again,  
5 that's by the government, not by a newspaper.  
6 By a third party. By an independent concern.

7 The government would create that  
8 certification and the government would certify  
9 it by a government official.

10 REPRESENTATIVE McILVAINE-SMITH:  
11 Well, and when -- and when open records was  
12 such an issue for newspapers, you all were  
13 saying everything should be online. It should  
14 be online. That's what we kept hearing up  
15 here in the -- in the House.

16 MR. GOTHIE: I don't -- I don't  
17 recall that.

18 CHAIRMAN DALEY: Well, I don't want  
19 to draw this out into a major debate. I  
20 appreciate the bantering. Representative  
21 Mirabito.

22 REPRESENTATIVE MIRABITO: The only  
23 comment that I want to make to you is that I  
24 think it's really only a matter of time.  
25 Because from where I sit it's balancing how

1 much money we save taxpayers versus the 30  
2 percent who don't have access.

3 What I find paradoxical is that by  
4 your own testimony your newspapers are not  
5 delivering to sections of the community in  
6 certain counties because it's no longer  
7 economical. So you are cutting off access to  
8 people who used to have access.

9 REPRESENTATIVE McILVAINE-SMITH:

10 Yeah.

11 REPRESENTATIVE MIRABITO: So at a  
12 certain point in time, we have to measure, as  
13 you cut back on that circulation and as the  
14 numbers increase who have Internet access, and  
15 we look at the savings, we have to make a  
16 decision about whether or not it's really in  
17 the best interests of the citizens and the  
18 taxpayers.

19 I think the newspapers have to  
20 realize they don't have an inherent right to  
21 own legal advertising. There's nothing  
22 different from a company that runs a website  
23 in terms of its ability to keep information  
24 archived. You know, all the court filings are  
25 done on it now.

1           And I appreciate all the suggestions  
2           that you made about what you're trying to do  
3           to help make legal advertising more  
4           economical. I think you need to -- to dig  
5           deeper and try to find ways to save the school  
6           district money, save the local municipalities  
7           money.

8           Because we don't have the ability to  
9           stop technology from delivering to the  
10          citizens the best product at the best price.  
11          Technology is going to run this. It's not  
12          going to be run by -- by us.

13          And it's only a matter of time before  
14          those numbers change. Especially as you cut  
15          back delivery.

16          MR. HAROLD MILLER: Well, I have to  
17          talk to that point. Because the point made  
18          was major group ownerships are cutting back  
19          distribution in next states and five counties  
20          out. Not where local municipality interests  
21          are -- are maintained.

22          And in those other areas, if Dean  
23          Singleton cuts out Kansas distribution of the  
24          Denver Post, there's still plenty of papers  
25          and news in Kansas publishing news in those

1 counties.

2 It's not an issue that effects the  
3 core readership of a newspaper. It was an  
4 outlying readership issue, and it was done by  
5 major publishers and it impacted those numbers  
6 and that was my point in bringing it up.

7 REPRESENTATIVE MIRABITO: It's due to  
8 the consolidation of the industry you're  
9 saying?

10 MR. HAROLD MILLER: Basically I'm  
11 saying a lot of major publishers, in an  
12 attempt to save some dollars, willingly give  
13 away distant circulation, knowing those areas  
14 were served by other newspapers, but they  
15 could not continue to justify in their own  
16 profit and loss margins the continuation of  
17 serving that area with the -- with the paper.

18 REPRESENTATIVE MIRABITO: So were  
19 legal notices not available to those people  
20 that previously had them in that newspaper?

21 MR. HAROLD MILLER: There's still  
22 local newspapers in all those areas. The  
23 Denver Post was coming into Kansas where  
24 there's Kansas newspapers handling the  
25 situation locally where the public notices

1 would be.

2 REPRESENTATIVE MIRABITO: You know  
3 what the problem of that argument is? It begs  
4 the use of the web. Because what you're  
5 really telling me is that if I'm a contractor  
6 and I'm doing business in an area, on a wide  
7 range of a state, the best way for me to find  
8 out all the work available for my business is  
9 to go on the web.

10 MR. HAROLD MILLER: And we're on the  
11 web with public notices -- MyPublicNotices.  
12 That's the point.

13 REPRESENTATIVE MIRABITO: Okay. I  
14 kind feel like you're having your -- you want  
15 your cake and eat it, too.

16 MR. GOTHIE: I would just -- I know  
17 we're pressed for time. I'll be brief.

18 But you made a point awhile ago about  
19 it may not be it's time yet. Maybe we're  
20 premature with this.

21 But I would suggest that -- and I  
22 agree with that. I think that if we were  
23 living in a time when Internet access was 95  
24 percent of every household and 99 percent of  
25 Americans used it every day for 11 hours a

1 week or a day, I would say then that's fine.

2 But since it is early, it's  
3 premature, it's ahead of its time, but this  
4 bill here if passed into law would affect the  
5 way government advertises their business right  
6 now.

7 And I don't think -- and I know it's  
8 not a mandate, Representative McIlvaine-Smith,  
9 but I would think as -- as good business  
10 people, the township commissioners, the  
11 borough council people, if they knew they had  
12 an option to do it for free or publish it at a  
13 fee, the option would be to do -- to do it  
14 free.

15 So I don't think we would see a  
16 combination of them continuing to run the  
17 legal ads in the paper and going on their own  
18 website.

19 REPRESENTATIVE MIRABITO: My only  
20 point to you is that if you look at when the  
21 web began to be used, you know, it was in --  
22 it was in 1990 that AOL really started to  
23 crank up, it's a short amount of time.

24 And, you know, you could see in three  
25 years Internet access in this county at 90



1 percent. I don't think that's un -- unheard  
2 of. And at that point the scales change. And  
3 the cost changes.

4 So that's -- that's my only point to  
5 you.

6 CHAIRMAN DALEY: Thank you.

7 Let me just state quickly that I  
8 don't think there's one kid in any high school  
9 today -- I -- I'd beg to say that there's very  
10 few kids in high school today or even in  
11 college that do not have a handheld cell phone  
12 with Internet access, where there's twittering  
13 and everything else.

14 Our generation probably will never  
15 see the end of newspapers in our lifetime. I  
16 can't say that with any degree of certainty  
17 about anyone that's walking out of college  
18 today.

19 I hope you're right, the newspapers  
20 stay. I think they play an absolute vital  
21 importance to society, especially to a free  
22 society. I think it's very important to a  
23 democratic society.

24 However, I think technology is going  
25 to overcome everything in our society one way

1 or another.

2 I appreciate your testimony. Thank  
3 you very much.

4 MR. GOTHIE: Thank you.

5 CHAIRMAN DALEY: The next three  
6 testifiers, I'm going to ask that they do it  
7 collectively.

8 Ronald Grutza with the Pennsylvania  
9 borough association -- Association of  
10 Boroughs; County Commissioners Association,  
11 Mr. Doug Hill; and I don't see Elam. Elam is  
12 not here.

13 MR. CORY ADAMS: Cory Adams.

14 CHAIRMAN DALEY: Cory?

15 MR. ADAMS: On behalf of Elam.

16 CHAIRMAN DALEY: With the Association  
17 of Township Supervisors.

18 And, gentlemen, you can start. We  
19 have approximately 20 minutes. Under our  
20 constraints by rules of the House, no  
21 committee can function when the House is in  
22 session. So the committee will cease its  
23 deliberations today at eleven o'clock.

24 MR. GRUTZA: Thank you. Thank you,  
25 Chairman.

1           My name is Ronald Grutza. I'm the  
2           Assistant Director of Government Affairs of  
3           the Boroughs Association. The Borough  
4           Association of 958 boroughs with over 10,000  
5           borough officials throughout the  
6           Commonwealth.

7           We'd like to take this opportunity to  
8           present our perspectives on House Bill 795,  
9           the Public Notices Modernization Act.

10           Public notices serve an important  
11           role in our democracy. They provide vital  
12           information to the citizens of our localities  
13           about upcoming events and proposed ordinances,  
14           annual budget and inspection notices and bids  
15           for constructions and selling of borough  
16           property and many other requirements.

17           These notices are required in law by  
18           the local government codes and other related  
19           laws as well as the newspaper advertising  
20           act. And our boroughs' secretaries and  
21           managers take care to make sure that these  
22           requirements are followed strictly.

23           And they follow this, not only to  
24           inform the public, but to ensure that the --  
25           every council mandated action is done soundly

1 and legally.

2 Under current law, these advertising  
3 or public notice requirements are outdated and  
4 need to be revised. Thus, House Bill 795.

5 When they were adopted in the last  
6 century, it did make sense to require that  
7 they only be in print media. Newspapers were  
8 in their heyday and most families subscribed  
9 to a daily or weekly.

10 But today things have changed very  
11 rapidly with the advent of the Internet and  
12 other technological advances, such as e-mail,  
13 RSS feeds, social networking, and online  
14 purchasing.

15 The general public has made the shift  
16 to the Internet on a daily basis. In fact, as  
17 was noted earlier back in the 1990s, I don't  
18 think that anybody could imagine life without  
19 the Internet today.

20 I just want to bring up two important  
21 statistics on -- I heard the number bantered  
22 about 70 percent and I looked into -- there  
23 are two organizations that track the state of  
24 the Internet. Harris Interactive first began  
25 it back in 1995 when only nine percent of

1 Americans were online. That number -- they  
2 tracked throughout the years -- it shot up  
3 dramatically in 1997 to 30 percent and today  
4 they estimate it over 80 percent.

5 And the University of Southern  
6 California's Anneberg School of  
7 Communications, Center for the Digital Future,  
8 also tracks Internet usage. This year they  
9 pegged the total number of Americans online at  
10 around 80 percent. And they also had some  
11 interesting observations about the current  
12 state of the newspaper industry.

13 The director for the center, Jeffrey  
14 Cole, stated, quote, we're clearly now seeing  
15 a path to the end of the printed daily  
16 newspaper, a trend that is escalating much  
17 faster than we had ever anticipated. The  
18 decline of newspapers is happening at a much  
19 faster pace than anyone could ever have  
20 anticipated. Their cushion is gone, and only  
21 those papers that can move decisively to the  
22 web will survive, end quote.

23 My question to the committee today is  
24 where does that leave local governments and  
25 school districts? How are we supposed to

1 inform the public about crucial governmental  
2 functions when our daily newspapers are  
3 folding faster than anyone could have  
4 imagined?

5           And if we still have daily newspapers  
6 or a newspaper of general circulation, is this  
7 still the most effective way to reach the  
8 public when clearly the evidence is that the  
9 public has shifted to a different medium to  
10 get their information?

11           Also is it the best use of taxpayer  
12 dollars, estimated in 2006, the report by the  
13 Penn State School of Public Affairs, \$26  
14 million annually?

15           PSAB and its members strongly believe  
16 that the paradigm shift we are seeing today in  
17 the way people get their information must not  
18 be ignored. We encourage you to build on what  
19 the General Assembly did two sessions ago when  
20 it enacted two laws, Act 49 and Act 88 of 2006  
21 which allowed for online bidding of contracts  
22 and the sale of personal property by online  
23 auctions in townships of the second class.

24           Now, both of those still need to be  
25 advertised in newspapers of general

1 circulation, but they did enable us to reach  
2 better the public who are online.

3 We urge you to seriously consider and  
4 approve House Bill 795 which will allow the  
5 option for local government units the ability  
6 to post their public notices online in lieu of  
7 the outdated newspaper of general  
8 circulation.

9 In doing so, you will give local  
10 governments and the public the right tools to  
11 take the Commonwealth to the next level of  
12 government in the 21st century. A more  
13 efficient, cost effective way to reach the  
14 public where the public already gets their  
15 information -- and that's online.

16 Thank you, Mr. Chairman.

17 CHAIRMAN DALEY: Thank you. I would  
18 ask everyone to hold questions until we're  
19 finished with all three panelists.

20 Mr. Hill with the County  
21 Commissioners Association. Glad to see you  
22 today. A long-time friend.

23 MR. HILL: Thank you. It's great to  
24 be here with you, Mr. Chairman, and the  
25 members of the committee. Excuse me.

1 I'm Doug Hill, Executive Director of  
2 the County Commissioners Association of  
3 Pennsylvania. We are a nonprofit, nonpartisan  
4 association representing all the  
5 Commonwealth's 67 counties.

6 I apologize. I don't have written  
7 remarks today, but I hope you'll find the --  
8 the comments insightful.

9 We are here today to express our  
10 support as well for House Bill 795. We have  
11 been working on this legislation and  
12 comparable legislation, Senate Bill 419, in  
13 the Senate.

14 I will note that there may be a few  
15 technical amendments that may be proposed  
16 somewhere along the way. We don't -- we won't  
17 take the time to go through those today with  
18 one exception. I will urge inclusion of  
19 sheriffs' sales advertising as a part of the  
20 legislation.

21 But to address some of the things  
22 that the committee has discussed specifically  
23 today, you've spent time talking about costs,  
24 public accountability, and public access. I  
25 think I'd also like to add value to that list



1 of items.

2 Let me talk about each briefly.

3 First, the question has been raised what's the  
4 percent of budget and what's the cost and so  
5 on. I don't think that's so much the issue  
6 really.

7 While we do support the legislation  
8 as a means to reduce our overall costs, we do  
9 recognize that it's a small part of our  
10 budget. Nonetheless, in economic times like  
11 we're in now, the public isn't saying only go  
12 for the savings that are big dollars. They're  
13 also saying go for the savings large or  
14 small. Do your job more efficiently.

15 Public accountability, we think, is  
16 adequately addressed in the legislation, but  
17 it's addressed as well in the other  
18 legislation that requires the advertising to  
19 begin with.

20 First and foremost, all of our  
21 advertising requirements have provisions that  
22 negate the transaction if we don't properly  
23 advertise, and we would have to find an  
24 appropriate cure. And so there is -- there is  
25 that level of accountability.

1           The suggestion was made that the ad  
2           is going to be what we want. But we  
3           disagree. The laws that require us to  
4           advertise are very explicit in what we have to  
5           advertise, what has to be included and who has  
6           to have access to it. This legislation would  
7           extend that as well.

8           Public access has been an interesting  
9           question. And my -- my colleagues are  
10          probably tired of hearing this example of  
11          mine, but I -- I live here in Harrisburg. And  
12          out of a two block section of my street, I am  
13          the only person that has a newspaper delivered  
14          in the morning. The only one.

15          Yet from my kitchen I can find at  
16          least six of my neighbors that have wireless  
17          Internet access. And to me that is telling in  
18          a way for where we go now for our  
19          information.

20          And so I think to exclude this as a  
21          means of advertising or to say the only good  
22          way to advertise is the newspaper, I think, is  
23          mistaken.

24          Public access is accomplished in a  
25          number of ways. Certainly, you know, just by

1 my example, people have access in their own  
2 homes to the Internet. We have the same  
3 library access to Internet as people do right  
4 now to go read the newspapers when they don't  
5 have home delivery and they -- they need to  
6 find the things that we're advertising there.  
7 And so I think that's really a mis --  
8 misplaced argument.

9 The other point that I think needs to  
10 be emphasized, Ron mentioned RSS feeds. Most  
11 of the county websites either have or have the  
12 capacity to provide notices to any subscriber  
13 when any web page changes.

14 And so if someone wants to subscribe  
15 to a web page that we have dedicated to our  
16 minutes or a web page that we have dedicated  
17 to our advertising, those individuals would  
18 get an immediate, direct, and personal notice  
19 and much more efficiently, much more quickly,  
20 and in much more detail than the hunt they  
21 might have to take through a newspaper.

22 The last thing that we haven't talked  
23 about much today is value. And what we're  
24 looking for in this legislation is  
25 discretion.

1           I can't say that every county in  
2 every instance will use the Internet. I think  
3 there are going to still be circumstances  
4 where we will want to use print ads. I think  
5 we concede in this legislation, and  
6 particularly if we extend this legislation to  
7 include sheriffs' sales, that advertising in  
8 the legal journal is still appropriate for a  
9 list of different and very specific reasons.

10           And so what we're really talking  
11 about here is discretion. But what we want  
12 the discretion for is to match our need. If  
13 any of you are -- have been to auctions, or  
14 have staged an auction, you know that a bad  
15 auction is when three people show up. The  
16 best auction is when you have hundreds of  
17 people.

18           You're going to get the best  
19 competition. You're going to get the best  
20 value. And the public is demanding value as  
21 well as a part of what we're doing with the  
22 advertising.

23           So, for example, with sheriffs'  
24 sales, we can print in the newspaper, and  
25 that's fine, and someone can pull a copy of it

1 and they can scroll -- roll through and try to  
2 find the kind of property they're looking  
3 for.

4 But if we have that advertised on the  
5 Internet, that's available worldwide and all  
6 the companies that are in that business, and  
7 all the individuals who might be looking to  
8 relocate, have access to it and they have  
9 access to it in a searchable way.

10 And we think that will greatly  
11 enhance our ability to achieve the public  
12 value that we're looking for as a part of that  
13 advertisement.

14 Mr. Chairman, that concludes my  
15 comments. But I'll be happy to answer any  
16 questions.

17 CHAIRMAN DALEY: Thank you,  
18 Mr. Hill.

19 The next person to testify, please  
20 state your name.

21 MR. ADAMS: Cory Adams. I'm the  
22 legislative analyst with the Pennsylvania  
23 State Association of Township Supervisors.

24 I'll try not to repeat what's already  
25 been covered today and just touch on some of

1 our points here.

2 CHAIRMAN DALEY: Cory, you have six  
3 minutes.

4 MR. ADAMS: Six minutes. Okay.

5 CHAIRMAN DALEY: That's all.

6 MR. ADAMS: I tell you what, I'll  
7 submit my -- my comments for the record and I  
8 think we'll -- because I'm pretty much going  
9 to repeat what they have to say. So we'll  
10 open it up for --

11 CHAIRMAN DALEY: Well, I -- could you  
12 just summarize? Do you support or oppose?

13 MR. ADAMS: Oh, we support it. Very  
14 much so.

15 CHAIRMAN DALEY: Questions from any  
16 of the members?

17 REPRESENTATIVE MIRABITO: Question,  
18 quick question. Do you have --

19 CHAIRMAN DALEY: Representative  
20 Mirabito.

21 REPRESENTATIVE MIRABITO: Do you now  
22 put those notices online?

23 CHAIRMAN DALEY: Representative  
24 Mirabito, that wasn't heard.

25 MR. HILL: The -- the question was do

1 we put those notices online. Actually what  
2 we're doing right now, for example, with the  
3 contracts, counties will advertise in the  
4 newspaper because we're required to. But we  
5 will advertise in other venues because we get  
6 a better result.

7 So, for example, on a construction  
8 contract, we're likely to advertise that in  
9 trades, we're likely to send an e-mail notice  
10 to companies that have registered with us or  
11 who we know are in our local marketplace.

12 So, yes, we are already using some of  
13 those technologies, in addition to what we're  
14 required to do in newspaper advertising.

15 REPRESENTATIVE MIRABITO: So you do  
16 put it on your website?

17 MR. HILL: I can't say that I've  
18 looked at every county website, but most have  
19 listings of that kind of information, yes.

20 REPRESENTATIVE MIRABITO: Okay.

21 CHAIRMAN DALEY: Mr. Callen?

22 MR. CALLEN: No.

23 CHAIRMAN DALEY: Any questions from  
24 staff? Okay. Hearing none, I'm going to  
25 thank everyone for their testimony today and

1 their participation. Thank you very much,  
2 gentlemen.

3 MR. HILL: Thank you.

4 CHAIRMAN DALEY: Everyone that  
5 participated, thank you. This meeting is  
6 adjourned.

7 (The following is written testimony  
8 submitted to the committee.)

9 (The following is written testimony  
10 submitted by Elam Herr, Assistant Executive  
11 Director of the Pennsylvania State Association  
12 of Township Supervisors:)

13 Chairman Daley and members of the  
14 House Commerce Committee:

15 Good morning. My name is Elam Herr,  
16 and I am the assistant executive director for  
17 the Pennsylvania State Association of Township  
18 Supervisors. Thank you for the opportunity to  
19 appear before you today on behalf of the 1,455  
20 townships in Pennsylvania represented by the  
21 association.

22 Townships comprise 95 percent of the  
23 Commonwealth's land area and are home to  
24 nearly 5.4 million Pennsylvanians -- 42  
25 percent of the state's population. These



1 townships are very diverse, ranging from rural  
2 communities with fewer than 200 residents to  
3 more populated communities with populations  
4 approaching 70,000 residents.

5 House Bill 795 would authorize local  
6 governments to electronically publish legal  
7 notices in place of newspaper advertisements.

8 The Governor's Center for Local  
9 Government Services would maintain a list of  
10 the names of all websites used by local  
11 governments for this purpose, including a link  
12 to access them.

13 We believe that the Internet provides  
14 a reasonable option to the current legal  
15 advertising requirements, would decrease the  
16 cost of advertising, and would reach more  
17 residents more quickly than newspapers of  
18 general circulation.

19 Currently, Pennsylvania's local  
20 governments must publish a large number of  
21 legal advertisements including public meeting  
22 notices, ordinances, the budget, and annual  
23 financial reports.

24 Other items that require  
25 advertisement are requests for bids or

1 proposals for the purchase of supplies,  
2 services, or construction; the sale of real or  
3 personal property; and any proceeding  
4 requiring public notification in accordance  
5 with the Pennsylvania Municipalities Planning  
6 Code.

7           The required advertisements are  
8 necessary to inform the public of the actions  
9 of the municipality and to promote open  
10 government.

11           The number of legal advertisements  
12 placed each year and the amount spent on  
13 advertising varies by type and size of the  
14 local government entity. For example, a  
15 small, rural township may only need to  
16 advertise its public meetings, the budget, the  
17 audit report, and a few bid proposals each  
18 year.

19           On the other hand, a larger, more  
20 densely populated municipality would need to  
21 advertise the same items as the smaller  
22 township, but would likely have quite a larger  
23 number of bid proposals, as well as  
24 ordinances, and numerous hearings on zoning  
25 and other land use issues.

1                   According to the May 2006 Report by  
2                   Penn State-Harrisburg, Cost Savings on  
3                   Mandatory Legal Advertising by Local  
4                   Government Entities, local governments spend  
5                   more than \$26 million annually on required  
6                   legal advertising.

7                   In fact, the city of Philadelphia  
8                   paid close to \$4 million in newspaper ads  
9                   during 2005. The average annual expenditure  
10                  for legal advertisements depends on the size  
11                  and location of a local government and may  
12                  range from a few hundred dollars to tens of  
13                  thousands of dollars.

14                  Currently, local governments must  
15                  place legal ads in paid daily or weekly  
16                  newspapers of general circulation. Legal  
17                  advertisement rates for daily and weekly  
18                  newspapers vary from region to region and can  
19                  be very expensive.

20                  Generally, the cost of a four-inch  
21                  advertisement varies from \$80 to \$300, but can  
22                  range even higher as each newspaper sets its  
23                  own legal advertisement rates. Budget and  
24                  ordinance advertisements may cost about \$800  
25                  each and meeting advertisements may cost \$140.

1           Also, legal advertisements in  
2           subscription newspapers may not be the best  
3           way to inform residents of necessary  
4           information. The number of people who  
5           regularly read the legal section of the  
6           newspaper watching for ordinances and special  
7           meeting announcements may not represent a  
8           significant percentage of the total population  
9           of the township.

10           There are those who argue that  
11           authorizing local governments to place  
12           advertisements on the Internet will decrease  
13           public access to information. This contention  
14           is unfounded.

15           House Bill 795 requires that  
16           municipalities notify the public by legal  
17           notice that advertisements will be posted  
18           electronically, provide locations where the  
19           Internet may be accessed to review the  
20           municipal website, and include contact  
21           information where the actual notice may be  
22           obtained.

23           Furthermore, if newspapers are  
24           concerned that electronic postings will  
25           decrease public access to information, the

1 newspapers may chose to print this information  
2 as news.

3 Many townships currently maintain a  
4 website where residents can readily access  
5 up-to-date information relating to township  
6 business more quickly than can currently be  
7 done through printed publications such as  
8 newspapers.

9 A large number of these townships  
10 also post their entire meeting schedule for  
11 the upcoming year on their website.

12 According to a survey conducted of  
13 our members this year, almost 70 percent of  
14 those who responded have their own website.  
15 This survey also found that, on average, 73  
16 percent of township residents have access to  
17 computers and/or online services.

18 In closing, we believe that in  
19 addition to broadening the sources of  
20 available information, House Bill 795 would  
21 create competition for legal advertisements  
22 that could lead to lower prices, saving  
23 taxpayers money.

24 We support any proposal that would  
25 allow more people to receive legal notices for

1 a reduced cost to local governments, including  
2 advertising on local government websites and  
3 in community papers of mass dissemination.

4 Thank you for the opportunity to  
5 comment today. I will now attempt to answer  
6 any question that you may have.

7 (This concludes the written remarks  
8 submitted by Elam Herr, Assistant Executive  
9 Director of the Pennsylvania State Association  
10 of Township Supervisors.)

11 (The following is the written remarks  
12 submitted by the Pennsylvania Association of  
13 School Business Officials:)

14 Written testimony to the House  
15 Commerce Committee, public hearing on House  
16 Bill 795.

17 PASBO supports allowing the  
18 publication of legal notices on the Internet  
19 in lieu of newspapers of general circulation.  
20 Introduction of House Bill 795 represents one  
21 step towards recognizing that the print  
22 media's role in mass communications has been  
23 minimized with the growth of electronic  
24 communication and specifically the Internet.

25 The diminished readership and the

1 consolidation of many daily newspapers have  
2 made the Internet a viable advertising medium  
3 for governmental entities. PASBO believes it  
4 is just as effective and reduces school  
5 districts' mandated advertising costs.

6 Many sections of the Public School  
7 Code require public advertisements under the  
8 theory that it provides a universal  
9 notification to the public.

10 As one example, Section 807.1 (a)  
11 requires that all contracts for furniture,  
12 equipment, textbook, school supply, and  
13 appliance contracts valued at \$10,000 or more  
14 be advertised in two newspapers of general  
15 circulation once a week for three weeks.

16 School districts also have to  
17 advertise their school board meeting schedule  
18 and special meetings as well. Recently a  
19 district had to advertise its bond  
20 refinancing.

21 It provided notice that it would be  
22 reducing its debt service costs. In effect,  
23 it had to incur more costs to tell a few  
24 readers of the legal ads that we were saving  
25 taxpayer monies for our residents.

1 Newspaper advertising, as required  
2 under Section 807.1 (a) and other School Code  
3 provisions, is ineffective since a prospective  
4 bidder may not read the paper on the day on  
5 which the legal notice is posted. If a bidder  
6 does not read the papers on those particular  
7 days, he or she will be unaware of the bid  
8 opportunity.

9 Furthermore, there are more  
10 accessible and less expensive methods to alert  
11 interested parties to the opportunity to bid.

12 A school district recently received  
13 bids for its high school yearbook pictures.  
14 One bidder's home office was from out of  
15 state. That bidder found the district's  
16 specifications through the Internet, not from  
17 our local newspaper.

18 Newspaper advertising rates are  
19 costly. To seek relief from these increasing  
20 costs, recently the Upper Moreland Township  
21 School District sought a Pennsylvania  
22 Department of Education mandate waiver  
23 allowing the district to advertise for  
24 furniture, equipment, textbook school supply  
25 and appliance contracts valued at \$10,000 or



1 more on the district's official Internet  
2 website or in a community newspaper of mass  
3 dissemination.

4 The waiver allows the district to  
5 avoid the requirement in School Code Section  
6 807.1 (a) for advertising in a newspaper of  
7 general circulation.

8 In granting the waiver, the  
9 Department emphasized the district's annual  
10 advertising savings, estimated by the district  
11 to be \$13,00 to \$20,000, will indirectly  
12 benefit all of the district's programs thus  
13 allowing the district to operate in a more  
14 effective, efficient or economical manner.  
15 Any savings realized can be redirected to  
16 benefit a district's instructional program.

17 While proposed House Bill 795 would  
18 amend the law to allow all school districts to  
19 advertise contracts on the Internet, until the  
20 legislation is passed a school district  
21 wishing to obtain a Section 807 waiver will  
22 have to file its own application with the  
23 Department of Education.

24 PASBO would be pleased if House Bill  
25 795 became law so other districts could

1 benefit from the relief without seeking a  
2 mandate waiver.

3 In addition to school districts  
4 realizing savings through such an option,  
5 electronic publication would recognize the  
6 benefits of current technology as well as  
7 provide convenient and immediate access to  
8 notices.

9 There are other more effective ways  
10 of advertising. Many districts learn of  
11 potential bidders by school-to-school contact  
12 and/or word of mouth, and utilize direct  
13 mailing to notify existing vendors and  
14 potential vendors from the nearby area of bid  
15 opportunities.

16 These options produce interested  
17 bidders and get a school district as much  
18 result or an equivalent result than  
19 advertising in a newspaper.

20 Advertising bid opportunities on the  
21 Internet would be equally effective.  
22 Currently, in regards to obtaining applicants  
23 for open instructional positions, school  
24 districts use several sources, including  
25 PA-Educator.net, a special education speech

1 site for speech therapy positions, local  
2 radio, professional associations like PASBO  
3 and the PA School Boards Association and the  
4 Commonwealth's PACareerlink.com for  
5 non-instructional jobs. An equivalent number  
6 of applicants respond through these  
7 advertisements, not the local newspaper or  
8 merchandiser.

9 PASBO believes the use of the  
10 Internet proved be equally successful to  
11 garner interested bidders, particularly if  
12 there was a central state depository. The  
13 Commonwealth could use the state's  
14 eMarketplace through the Bureau of Procurement  
15 to enable school districts to post  
16 solicitations and potential contract  
17 opportunities.

18 Meanwhile, although newspaper  
19 advertising may be less than effective in most  
20 regards, school districts are required to  
21 continue to advertise in this manner, costing  
22 taxpayers thousands of dollars. In some  
23 cases, a newspaper advertisement may only  
24 identify one bidder. If there was one place  
25 to go to view bids, there would certainly be

1 more competition. The more competition the  
2 better results for school districts and their  
3 taxpayers.

4 In summary, newspaper advertising  
5 offers no guaranteed results, yet school  
6 districts are required to advertise in them.  
7 School districts realized this may not result  
8 in sufficient bids so we choose to do more.  
9 This mandate is rooted in the past and fails  
10 to adapt to a very changed world that the  
11 Internet has created.

12 Please provide school districts with  
13 relief from the continued escalating costs of  
14 newspaper advertisement and support House Bill  
15 795 to allow for advertising legal notices on  
16 the Internet.

17 PASBO is a statewide professional  
18 association with more than 2,000 active  
19 members who are K-12 school employees below  
20 the rank of superintendent.

21 PASBO members support classroom  
22 learning and student achievement by providing  
23 many services required in the day-to-day  
24 operations of schools including: Finance,  
25 accounting, purchasing, facility management,

1 transportation, technology, food service,  
2 human resources, and communication.

3 (This concludes the written testimony  
4 submitted by the Pennsylvania Association of  
5 School Business Officials.)

6 (The following is the written  
7 testimony submitted by Jim Haigh, Government  
8 Relations Consultant to Mid-Atlantic Community  
9 Papers Association:)

10 Summary: House Bill 677 updates  
11 Title 45 - Legal Notices to reflect market  
12 realities that have both evolved and dissolved  
13 in the 33 years the current language has been  
14 law.

15 It would restore audience lost to  
16 closures, consolidation and declining paid  
17 circulation. It would restore a competitive  
18 pricing environment for those mandated to  
19 advertise. It would use the free market to  
20 remedy original flaws of construction and  
21 corresponding abuses, with new mandates.

22 The demonstrable impacts on both  
23 reach and price of legal advertising are  
24 clearly expressed in Exhibit A and Exhibit B.

25 Title 45 inserts itself into nearly

1 every instance of advertising mandated by the  
2 state: From the birth of a business to the  
3 death of a neighbor with an estate -- and over  
4 \$26 million in local government advertising in  
5 between. Each of the numerous statutes that  
6 compel the purchase of legal advertising rely  
7 on Title 45 for the definition of the  
8 marketplace, which is a narrow subset of  
9 community publishing. As decided in 1976,  
10 only pay-to-read publications are legally  
11 qualified to publish and bill for official  
12 notice.

13 At the time, people only read what  
14 they pay for may have made sense as a premise.  
15 So should have safeguards for the compulsory  
16 consumers in a monopoly created by law. But  
17 while most states have provisions to prohibit  
18 price gouging -- like setting fixed rates as  
19 New Jersey does, or capping rates at  
20 commercial levels as Ohio does -- Pennsylvania  
21 stands alone with its legislated invitation to  
22 charge as much as a publisher can get away  
23 with. It's no small wonder that some papers  
24 take the state up on the explicit offer.

25 That flaw in construction of Title

1 45 -- giving a privileged monopoly an extra  
2 helping of laissez-faire -- has compounded on  
3 the backs of rate payers as the exclusive  
4 marketplace shriveled in size and scope during  
5 the 33 years hence.

6 Just this year, scores of boroughs,  
7 townships, authorities, and school districts,  
8 along with countless business and citizen  
9 legal advertisers, watched their rates  
10 skyrocket as Journal Register pulled the plug  
11 in nearly two dozen communities. Overnight,  
12 these forced consumers had marginal  
13 competition reduced to zero competition.

14 While Journal Register's closings of  
15 its weeklies across five counties happened in  
16 a shockingly short span of time, the event was  
17 in reality only an exclamation point on a  
18 broad, constant market trend.

19 Since the enactment of Title 45 in  
20 1976, Pennsylvania has lost 22 paid daily  
21 newspapers. The combined circulation of the  
22 dailies that ceased publication was over 1.5  
23 million, and that of the remaining has shrunk  
24 significantly.

25 During the same span of time, no less

1 than 153 pay-to-read weeklies have also gone  
2 away.

3 But no new publications have been  
4 allowed to replace the 175 or more providers  
5 lost under Title 45. The standard consequence  
6 is legal advertisers are paying more to notify  
7 smaller audiences than at any time in the  
8 modern history of our Commonwealth.

9 There are also extreme consequences,  
10 where mandates, monopoly and legalized  
11 price-gouging collide.

12 The most shocking example is  
13 happening right now in Philadelphia. Court  
14 documents and invoices reveal that The  
15 Inquirer charges the city of Philadelphia a  
16 staggering 63 times more than rates it  
17 proposed and are in effect on the other side  
18 of the Delaware River.

19 Using the \$3 million annual spending  
20 on legal advertising it reported, The Inquirer  
21 could actually save the city of Philadelphia  
22 well over \$2 million a year by simply giving  
23 it the New Jersey rate deal.

24 We hope the defenders of the status  
25 quo, in particular the monopoly incumbents who



1 pride themselves in their watchdog abilities,  
2 take an honest look at the bottom line here.

3           These are serious numbers, and in an  
4 era of universal budget shortfalls they could  
5 translate into lost jobs, libraries and fire  
6 stations. More than just money, absolute  
7 credibility is on the line if institutions  
8 with a financial interest at stake report on  
9 government's waste, fraud and abuse in whole  
10 numbers -- but continue to remove dollar signs  
11 and hide their own profiteering in the context  
12 of mere fractions of budgets.

13           Legal advertising reform is needed  
14 now more than ever. The plight of  
15 Philadelphia may be extreme, but scenarios  
16 across the state, however modest in  
17 comparison, add up collectively to the \$26  
18 million burden to local government, and the  
19 uncalculated overcharges to all other legal  
20 advertisers.

21           We believe the best and swiftest  
22 solution is allowing bona fide competition  
23 under Title 45, which is exactly what House  
24 Bill 677 does.

25           Competition obviously worked for

1 Camden, New Jersey and it saved the Allegheny  
2 County Sheriff millions of dollars as well.

3 The majority of legal advertisers are  
4 not as fortunate, as robust competition for  
5 their business has long since disappeared.

6 Meanwhile, the trends in pay-to-read  
7 publishing are irreversible. House Bill 677  
8 recognizes this simple fact and provides  
9 remedy for mandated consumers under Title 45.

10 If enacted, those forced to purchase  
11 legal advertising would no longer be hostage  
12 to legal advertising markets dissolving at  
13 their expense.

14 (This concludes the written testimony  
15 submitted by Jim Haigh, Government Relations  
16 Consultant to the Mid-Atlantic Community  
17 Papers Association.)

18 (The following is written testimony  
19 submitted by John Hemperly, Sales Manager,  
20 Engle Printing and Publishing Company, Inc.:)

21 Good morning, Chairman Caltagirone,  
22 Chairman Marsico and members of the committee.  
23 My name is John Hemperly, and I am the general  
24 sales manager for Engle Printing and  
25 Publishing Co., Inc. headquartered in Mount

1 Joy, Lancaster County.

2 Thank you for the opportunity to  
3 address the House Judiciary committee on the  
4 subject on legal advertisements and the  
5 process by which the public at large is  
6 informed of the same.

7 Fifty-five years ago, Alvin Engle,  
8 the founder of our company, purchased a small  
9 sheet fed Multilith press to supplement his  
10 income. He installed the press in his  
11 basement and operated it in the evenings and  
12 on Saturdays.

13 Through numerous expansions and with  
14 a spirit of entrepreneurship, the family-owned  
15 business grew and now operates a  
16 state-of-the-art web press printing facility  
17 employing upwards of 400 people.

18 More importantly, and of interest to  
19 the subject at hand, since 1959 we have been  
20 publishing free community papers.

21 Each week our free publications are  
22 delivered to over 150 south central  
23 Pennsylvania zip codes. These papers reach  
24 over one-half million households in hundreds  
25 of boroughs, townships, and school districts.

1           Our papers include advertisements  
2           from local businesses, classified advertising  
3           from private individuals and on the average 30  
4           percent local editorial which includes local  
5           news albeit high school sports, local civic  
6           club press releases and other items of  
7           interest to the neighborhood residents.

8           While some will question the  
9           receivership and readership of our products,  
10          Circulation Verification Council of St. Louis,  
11          Missouri recently audited both. CVC  
12          interviewed 1,711 residents in our primary  
13          market area. Respondents reported an  
14          astonishing 99.1 percent receivership with  
15          over 75 percent readership reported.

16          The survey was funded by a  
17          third-party association so CVC had no interest  
18          in making us feel good about our numbers.

19          No, not everyone reads our paper, but  
20          with the self-proclaimed decline in  
21          circulation from paid newspapers, one does not  
22          need a calculator to show our papers are  
23          welcome periodicals and a viable vehicle for  
24          the dissemination of information to the  
25          consumers and voters of the Commonwealth --

1 including legal advertising.

2 Earlier this year our company has had  
3 direct competitors cease publishing their paid  
4 papers. These papers were known as the  
5 hometown paper. Some of these now defunct  
6 papers had been in business for well over 100  
7 years. But due to a lack of readership, which  
8 led to lack of advertising revenue, which led  
9 to negative bottom line, the owners of these  
10 properties shuttered their doors.

11 Yet, these were publications that  
12 current legislation dictates and endorses as  
13 the acceptable way to educate the populace on  
14 government meetings, bids for equipment and  
15 services and upcoming changes in local laws.

16 In many communities, the paid paper  
17 has a monopoly on placement of legal ads.  
18 Competitive rates, customer service and common  
19 sense are all thrown out the window when  
20 mayors, city councilmen, and township  
21 supervisors need to place these announcements.

22 If we are concerned with the exposure  
23 of legal advertising to the populace, we  
24 should once and for all allow the local  
25 governing bodies a choice and vote affirmative

1 for the passage of House Bill 677.

2 Thank you. John Hemperly, Sales  
3 Manager.

4 (This concludes the written testimony  
5 submitted by John Hemperly, Sales Manager,  
6 Engle Printing and Publishing Company, Inc.)

7 (This concludes the written testimony  
8 submitted for the record.)

9 (The hearing was concluded at  
10 10:58 a.m.)

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I hereby certify that the proceedings  
and evidence are contained fully and  
accurately in the notes taken by me on the  
within proceedings and that this is a correct  
transcript of the same.

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Brenda S. Hamilton, RPR  
Reporter - Notary Public