



*Testimony, Mr. Frank Gothie  
House Commerce Committee  
House Bill 795, Printer's No. 911  
June 9, 2009*

*Good morning Rep. Daley, Rep. Hess, Rep. McIlvaine Smith, and members of the Commerce Committee. Thank you for the opportunity to appear before you today to present our significant concerns on House Bill 795 and related legislation.*

*I am Frank Gothie, Publisher of the Delaware County Daily and Sunday Times. I am a former chairman of the Pennsylvania Newspaper Association and currently serve on the Association's Government Affair Committee.*

**Mr. Miller has explained our perspective on the significance of public notices in our democratic system. One of the most worrisome aspects of this proposal is the fact that it puts the burden on citizens to search for information about what government agencies plan to do. Under the language of this bill, that search could require an average citizen to constantly monitor a large number of government websites.**

- **Under the newspaper advertising act, government agencies are required to put bid, meeting, and other information out there, by advertising in a newspaper of general circulation. This public notice system has been in place for many years, and citizens know exactly where to find the information they are seeking, at very little cost.**
- **This bill would allow government agencies to spread public notices out among many Web sites and would require citizens to have both Internet access (many do not) and sufficient time and sophistication to go to the correct individual agency Web sites and pages to locate specific notices. It would require near-constant vigilance for a citizen to stay up-to-date on what their government is up to. That's a significant cost difference to the average citizen.**

**In fact, PA newspapers have been uploading public notices to the Internet since 1999, at no cost to government agencies** Over 90 Pennsylvania newspapers participate in My Public Notices, covering 80% of the state geographically (limited somewhat by broadband/Internet limitations in some areas). PNA first introduced this website as a value-added service to increase the reach of notices we publish, and more papers go online every year.

**Under House Bill 795, there would be significant costs to establish and run the proposed Internet-based program.** Ramping up agency websites would cost tens of thousands, or

more, in development, maintenance, and security, far beyond the current amounts paid. The costs would dwarf the figures agencies now report as internet expenditures. Furthermore, an effort to build robust, searchable websites to provide web-based notice would result in significant new expenditures, which state government would likely be asked to fund.

- **Costs of establishing the statewide website would be significant.** The PNA submitted a Right to Know request to ascertain the cost of establishing and operating the Department of State's Corporation Bureau database.
  - The Dept of State reported that it cost \$600,000 to start up;
  - Average maintenance and operation costs were about \$60,000 annually, from 2003-2007, and about \$300,000 in 2008 due to upgrades.
  - The websites envisioned in SB 419 and HB 795 would also require a secure server, professional staff to maintain and manage, something to verify that the notice appeared online at the date and time required, and archiving.
  - DCED provided an estimate of \$250,000, along with concerns about spending this money; we believe that figure is low, given the DOS experience.

**Costs of public notice advertising are relatively small.** Local government associations maintain that the cost of public notices is an unaffordable, unfunded mandate. In fact, a PNA search of public records, carried out last year and again in January, reveals that those expenditures actually comprise about one-half of one percent (and often less) of their operating expenditures, and often less, regardless of the size of the municipality.

**We understand that local governments are looking at many ways to save money, but believe that the damage to access and transparency under this proposal far outweighs any hypothetical savings.**

- Newspaper rate issues.

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

The Newspaper Advertising Act includes very basic language about rates, as compared to some other states' laws. We realize that newspapers and legal journals charge municipal advertisers a wide range of rates across the state.

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

1. We recognize that almost four years have elapsed since the initial set of bid-limit bills that we negotiated passed the House, and we have withdrawn our objections to the package of bills now before the Senate Appropriations and House Local Government Committee that substantially increase the dollar threshold amounts under which public contract work must be advertised. This is subject, of course, to ongoing review of subsequent revisions and

proposals beyond the original package of bills.

2. We have also posed no objection to the efforts of certain municipalities, such as the Borough of Middletown, that provide electricity to their residents, to control costs by purchasing power on the "spot market," which involves adding energy purchases to the list of contracts that do not require advertising requirements, bidding or price quotations.

3. Finally, we are now proposing, as we first did in May before the Judiciary Committee, a revision to our state law, to add more formal rate language to ensure that public advertisers receive the best available commercial rate from the newspapers serving their municipalities. We stand ready to work with you on specific language.

## **CONCLUSION**

House Bill 795 puts government in charge of policing its own performance, in a way that is detrimental to both government and taxpayers.

It charges state and local governments with reaching into the private sector to take work away from hundreds of taxpaying businesses and employers, and forces the diligent citizen into a daily search for the information he needs in order to monitor his local government or seek to do business with it.

It fixes what isn't broken and creates more problems. Newspaper publication, supplemented by [www.MyPublicNotices.com](http://www.MyPublicNotices.com), an Internet database, protects public access.

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

I appreciate your attention and would be pleased to answer any questions you may have.