

COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES

JUDICIARY COMMITTEE HEARING

STATE CAPITOL
IRVIS OFFICE BUILDING
ROOM G-50
HARRISBURG, PENNSYLVANIA

THURSDAY, MAY 14, 2009
10:00 A.M.

PRESENTATION ON
CHANGES IN LEGAL ADVERTISING (HB677)

BEFORE:

HONORABLE THOMAS R. CALTAGIRONE, MAJORITY CHAIRMAN
HONORABLE DEBERAH KULA
HONORABLE RON MARSICO, MINORITY CHAIRMAN
HONORABLE KATE HARPER
HONORABLE RICHARD R. STEVENSON
HONORABLE GLENN GRELL

ALSO PRESENT:

HONORABLE JOHN R. EVANS
WILLIAM H. ANDRING, DEMOCRATIC CHIEF COUNSEL
DAVID MCGLAUGHLIN, COMMITTEE COUNSEL
KAREN COATES, REPUBLICAN CHIEF COUNSEL
V. KURT BELLMAN, COMMITTEE SECRETARY

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3 MAJORITY CHAIRMAN CALTAGIRONE: We'll open
4 up the public hearing. I'm Chairman Tom Caltagirone
5 from Burks County. My co-chairmans need to introduce
6 themselves on the panel, and if everybody would
7 introduce themselves for the record.

8 MINORITY CHAIRMAN MARSICO: Good morning,
9 Representative Ron Marsico, Dauphin County.

10 REPRESENTATIVE COATES: Good morning, Karen
11 Coates from House Judiciary Committee.

12 REPRESENTATIVE EVANS: Good morning,
13 Representative John Evans from Erie and Crawford
14 counties.

15 REPRESENTATIVE STEVENSON: Representative
16 Dick Stevenson, 8th District, Mercer and Butler
17 counties.

18 REPRESENTATIVE KULA: Deberah Kula, 25nd
19 District, Fayette and Westmoreland counties.

20 REPRESENTATIVE GRELL: Good morning, Glen
21 Grell, 87th District, Cumberland County.

22 MR. ANDRING: Bill Andring, chief counsel.

23 MR. McGLAUGHLIN: Good morning, David
24 McGlaughlin, counsel for the committee.

25 MAJORITY CHAIRMAN CALTAGIRONE: The public

1 hearing that is called for by the committee is House
2 Bill 677. Representative Mario Scavello is the prime
3 sponsor. And we'll be having two panels. If the
4 local government panel would please come up on the
5 four chairs, I guess it's Doug Hill, Ed Troxell, Tim
6 Allwein, and Laura Cowburn. And if you like to -- I
7 think that mic there might not be functioning. You
8 might have to share that one.

9 REPRESENTATIVE GRELL: Mr. Chairman, before
10 we start are we not going to hear from the prime
11 sponsor of the bill?

12 MAJORITY CHAIRMAN CALTAGIRONE: He was
13 invited to attend.

14 MR. GRELL: Okay. Thank you, Tom.

15 MR. HILL: Thank you, Mr. Chairman. I guess
16 I'll lead off. I'm Doug Hill, executive director of
17 the County Commissioners Association of Pennsylvania
18 and we are a nonprofit, nonpartisan association
19 providing legislative, education, insurance,
20 technology, research, and other services on behalf of
21 all the Commonwealth's 67 counties.

22 I appreciate the opportunity to present
23 remarks. We didn't furnish written remarks, so I'm
24 just speaking off the cuff this morning. But I do
25 want to thank the committee for holding a hearing on

1 this issue.

2 Our association this year published a list
3 of mandates for which we'd like to seek relief. And
4 it's really a counterpart to what we're trying to do
5 on the revenue side. You know, we lobby the
6 Commonwealth budget. We do issues relative to revenue
7 generation locally, but the other side of the coin, so
8 to speak, is what we can do to save money, save
9 taxpayer money, particularly.

10 House Bill 677 fits into a priority we
11 identified taking a look at all of our costs relative
12 to advertising, legal advertising. And while it might
13 not be a huge money saver, we are very much sensitive
14 to the public's intent that we do what we can to
15 improve efficiency at the local government level as
16 well. And we believe House Bill 677 by providing us
17 another option on legal advertising does just that.

18 The purpose of advertising is to -- at the
19 local government level is to get word out to different
20 constituencies, the public in general, so that they
21 know what local government is doing, but also to
22 contractors and others who have an interest perhaps in
23 government or other matters. At the county level, we
24 do a number of different kinds of advertising. Of
25 course, like our counterparts, we do advertising for

1 contracts and for meetings, but one of our largest
2 responsibilities is doing advertising on sheriff
3 sales. And for the typical county, that accounts for
4 about half of its annual advertising budget.

5 One of the things that occurs to us when we
6 talk about advertising is how the whole marketplace
7 has been changing over the last couple decades. And
8 just by way of example, I live here in Harrisburg. I
9 am the only person on my street who has the newspaper
10 delivered every day. No one else in my neighborhood.
11 On the other hand, when I log onto my laptop on a
12 wireless basis, there's five or six neighbors whose
13 wireless I pick up as well. And the point I'm making
14 there is people are finding information in different
15 ways. They're going to different sites voluntarily to
16 look for that information. And so we need to expand
17 what is available to us.

18 House Bill 677 would give us one important
19 new opportunity, and that would be advertising in the
20 community papers. Anyone who does retail, for
21 example, knows very well you advertise where your
22 customers are. And on an informal survey we did, we
23 find that in many of our counties the circulation for
24 community papers is much broader than the standard
25 definition newspaper of general circulation. So it

1 would provide us an alternative. Would we use it in
2 every case? I don't know. Because as I said, we have
3 different kinds of advertising that we do. And so
4 what we would like to be able to do is target our
5 advertising toward the market we're trying to reach.
6 I know it's not part of this legislation, but we've
7 also talked about expanding our options to include
8 some that are available to the Commonwealth itself
9 under the Commonwealth Procurement Code. For example,
10 the Commonwealth is permitted to do electronic
11 advertising. They're permitted to do advertising --
12 direct communication with prequalified bidders; and
13 there are a number of other alternatives that we think
14 would work well for us. And, in fact, just to give
15 you a concrete example, when we do a construction
16 project now we advertise in the newspaper of general
17 circulation because we're required to, but then we
18 advertise in the trade publications because we know
19 that's where our clientele is for that kind of a
20 contract.

21 So again, we do appreciate you holding this
22 hearing, giving us the opportunity to present our
23 remarks. And when our panel is complete I'll be happy
24 to answer your questions.

25 MAJORITY CHAIRMAN CALTAGIRONE: Thank you.

1 MR. TROXELL: Thank you. Good morning,
2 Mr. Chairman; good morning, committee members. My
3 name's Ed Troxell. I'm the director of government
4 affairs with the Pennsylvania State Association of
5 Boroughs. I want to thank you first of all for
6 hosting this important meeting to deal with an issue
7 that, as Doug alluded to, very critical to our
8 communities, very timely, as it happens to be
9 evolving, as we find ourselves in the world of legal
10 advertising anymore.

11 When we had the opportunity to provide this
12 information, we were very happy to be able to provide
13 you with some observations that we had from the
14 borough's perspective on how we can save money for our
15 resident taxpayers.

16 First thing I want to lead off with is
17 really our support for House Bill 677, because since
18 2002 our boroughs have sought to support the enactment
19 of this legislation, or legislation similar to it, and
20 its true mission which we feel actually provides
21 broader circulation of information at less cost to our
22 taxpayers. Moreover, the broader these notices, the
23 better chance of our contractors and potential vendors
24 to learn of these opportunities.

25 In an April 20th letter which we've included

1 in our packet of testimony to you, to the judiciary
2 committee, we commented that these changes in legal
3 advertising law anticipated in 677 would provide
4 valuable public information within an increased
5 circulation to the taxpayers.

6 The details of the bill which lead to this
7 increase and dissemination of public information are
8 numerous, and I'd like to make a point of just a few
9 of them if I could.

10 Our experience shows that by allowing our
11 local elected officials the discretion to use
12 community papers of mass dissemination for public
13 notices, more readers will, indeed, be notified. In
14 the past, our director of government affairs -- I mean
15 of research, excuse me, Shelley Houk testified before
16 the state government committee that for 16 years her
17 members, our members have been -- shared their
18 experiences of frustration in complying with a lot of
19 the Newspaper Advertising Act in this law. Shelley
20 continued to indicate that the official in the
21 boroughs in rural areas, of which there are 508,
22 about, okay, find that newspapers in general
23 circulation rarely serve their local residents, and
24 were often finding now, too, that a lot of them are
25 still cutting back on reaching out to those rural

1 areas.

2 What this group has shared with us is that
3 most of them are served by a community paper or
4 shopper that comes in the mail to them, and they'd
5 like to have the opportunity to advertise in that.

6 We feel that that choice is the best way to
7 provide these public notices and also would drive
8 competition amongst the community paper market itself.
9 But we need to guarantee, I guess, the claims of
10 increased circulation of public notification and
11 information that I'm talking about.

12 We need to look exactly at what a community
13 paper of mass dissemination is and how effective it
14 may be. 677 does lay out concise instructions on how
15 those communities papers will operate and who exactly
16 would qualify to provide the service.

17 Page 2 onto Page 3 in the bill itself lays
18 out parameters. They are: Community papers must be
19 four or more pages and printed either daily or on a
20 weekly, and to have been continuously published for a
21 period of at least six months. This is the who of the
22 community papers, who they are, basically.

23 The most attractive feature which our
24 boroughs find that puts information potentially in
25 every mailbox in the community is how the community

1 paper is distributed, provides its content, and
2 there's two methods within the bill that's stated
3 there. First of all, the first method is used by
4 entire local zip codes. This is providing that
5 information in every local zip code that we choose to
6 post that information within. The second one is by
7 distributing it by major carriers to a majority of
8 established addresses or to be available within public
9 locations within the political subdivision effecting
10 advertising. The latter method of delivery must be
11 verified for circulation by an independently
12 accredited auditor. These mandated distribution rules
13 we feel are unlike any in existing law. Borough
14 officials can now expand the distribution of public
15 notices in ways that newspapers that have general
16 circulation struggle to. Yet when we want to truly
17 expand our public notices, legal advertising laws must
18 be amended to consider technology as well.

19 You might remember reading in history books
20 about a time in the country when the public was
21 informed by the town crier. Using the town crier to
22 notify the public made sense at a time when many
23 people were illiterate and unschooled.

24 Then the role of the town crier became
25 unnecessary. Citizens routinely became educated and

1 literate and acquired the news from newspapers. I
2 believe the same type of paradigm shift is now
3 occurring within our society, except this time it is
4 the newspapers that are going the way of the town
5 crier. With so many individuals using the Internet as
6 their primary news source, this type of legislation
7 may have indeed come into its time. Public
8 information, public notices, and legal advertising can
9 only be as effective as the media through which they
10 reach their audience as well.

11 Several other legal notice proposals are
12 currently under consideration in both House and
13 Senate, as we're all aware of.

14 PSAB applauds the vision of the legislators
15 that are putting forth these measures and those
16 proposals are House Bill 795, sponsored by
17 Representative McIlvaine-Smith, and Senate Bill 419
18 which has been sponsored and introduced by Senator Bob
19 Robbins.

20 Briefly, the two bills seem as though
21 they're companions. They both allow posting notices
22 on the Internet. This public notice delivery enables
23 potential contractors and vendors as well to get
24 up-to-the-minute notifications in order to create more
25 competition so our folks know what type of products

1 are out there for them to take advantage of.

2 And lastly, what PSAB wants and its member
3 boroughs sorely desire is to promote transparency in
4 the use of local taxpayer dollars. Public notices,
5 information, and legal advertising laws must be clear,
6 accessible, and available; clear in a sense that they
7 are distinct in their content; available -- I mean
8 accessible in a variety of media forms; and available
9 to be used as an appropriate method for message
10 delivery.

11 The public benefits, borough officials are
12 empowered, and taxpayers save dollars. In a time when
13 innovation is needed to cut cost while still providing
14 services for our communities, amending Title 45 Legal
15 Notice Law just seems to make sense to us at this
16 point.

17 Thank you. I'm available for any questions.

18 MS. COWBURN: Good morning. My name is
19 Laura Cowburn and I'm assistant to the superintendent
20 for business services at Columbia Borough School
21 District in Lancaster County. I'm also president
22 elect of PASBO. And PASBO is a statewide professional
23 association with more than 2,000 members who are K-12
24 school employees below the rank of superintendent.
25 And our members support classroom learning and student

1 achievement by providing many services required to
2 day-to-day operation, including finance, accounting,
3 purchasing, facility management, transportation,
4 technology, food service, human resource, and
5 communication.

6 On behalf of PASBO, I want to thank you for
7 the opportunity to speak to you concerning House Bill
8 677. PASBO supports allowing the publication of legal
9 notices in community newspapers of mass dissemination
10 in lieu of newspapers of general circulation. The
11 legislation would be one step towards the recognition
12 that the print media's role in mass communication has
13 been minimized with the growth of electronic
14 communication, and specifically the Internet.

15 The diminished readership and the
16 consolidation of many newspapers have made other
17 alternatives, such as community newspapers, viable
18 advertising medium for government entities. My school
19 district, a small urbanized district at the eastern
20 Lancaster County border, right along York County, uses
21 a community shopper called the *Merchandizer* as an
22 advertising option. We believe it is just as
23 effective and reduces our mandated advertising costs.
24 There are people in our community that do not
25 subscribe to a newspaper because they can't afford it.

1 They get *Merchandiser* free of charge distributed to
2 their homes.

3 Many sections of the public school code
4 require public advertisements under the theory that it
5 provides a universal notification to the public. As
6 one example, Section 6807.1 requires that -- in the
7 school code requires that all contracts for furniture,
8 equipment, textbooks, school supplies, appliance
9 contracts valued at 10,000 or more must be advertised
10 in two newspapers of general circulation once a week
11 for three weeks. We also have to advertise our school
12 board meeting schedule and special meetings as well.

13 Recently I had to advertise our bond
14 refinancing. We provided notice that we were reducing
15 our debt cost. I'm not sure why we had to incur more
16 cost to tell people we were saving them cost.

17 Newspaper advertising, as required under
18 Section 807.1 and other school code provisions, is
19 ineffective since prospective bidders may not read the
20 paper on the day in which the legal notice is posted.
21 For example, we intend to go to bid soon for asbestos
22 abatement for some outside areas and minor area around
23 the high school. We intend to advertise in the paper
24 on May 15th, tomorrow, May 20th, and May 26th. If a
25 bidder does not read the paper on those particular

1 days, he or she will be unaware of the bid
2 opportunity. Furthermore, there are more accessible
3 and less expensive methods to assert -- to alert
4 interested parties to the opportunity of our bids. We
5 have received bids for our high school yearbook
6 pictures, for example. One bidder's home office is
7 from out of state. They found it on the Internet.
8 That bidder found our specification through the
9 Internet, not from our local newspaper.

10 Newspaper advertising rates are costly. To
11 seek relief from these increasing costs, recently the
12 Upper Moreland School District sought a Pennsylvania
13 Department of Education mandate waiver which allows
14 the district to advertise for all their furniture,
15 equipment, textbooks, school supplies for 10,000 or
16 more on the district's official Internet website or in
17 a community newspaper of mass dissemination. That's a
18 beginning to this legislation.

19 The waiver allows the districts to avoid the
20 requirement in school code section for advertising in
21 a newspaper of general circulation.

22 In granting the waiver, the Department
23 emphasized the district's annual advertising savings,
24 estimated by the district to be 13,000 to \$20,000,
25 will indirectly benefit all of the districts programs,

1 thus allowing the district to operate in a more
2 efficient, effective, or economical manner. Any
3 savings realized can be redirected to benefit the
4 district's instructional program.

5 While proposed House Bill 677 would amend
6 the law to allow school districts to advertise
7 contracts in community papers, until the legislation
8 is passed, a school district wishing to obtain a
9 Section 807 waiver will have to file its own
10 application to the Department of Education. So
11 there's 501 variations that are being created at this
12 point -- 500, excuse me. PASBO would be pleased if
13 House Bill 677 became law so that other school
14 districts could benefit from the relief without
15 seeking a mandate waiver.

16 Moreover, PASBO would urge an amendment to
17 House Bill 677 to allow the publication of legal
18 notices on school districts Internet websites which
19 the mandate waiver to which I referred allows.

20 In addition, school districts are realizing
21 savings through such option -- such an option.
22 Electronic publication would recognize the benefits of
23 current technology as well as provide convenient and
24 immediate access to notices.

25 There are other ways of effective

1 advertising. My school district learns of potential
2 bidders by school-to-school contact and/or word of
3 mouth, and utilizes direct mailing to notify existing
4 vendors that I know of and potential vendors from the
5 nearby area of bid opportunities. These options
6 produce interested bidders and get school district as
7 much of a result or an equivalent result as
8 advertising in a newspaper.

9 Advertising bid opportunities on the
10 Internet would be equally effective. Currently, in
11 regard to obtaining applicants for open instructional
12 positions, Columbia Borough School District uses
13 several sources including PAeducator.net. It's a
14 state site -- state organized site that collects all
15 of the applications and it's a one-stop shop for
16 teachers.

17 We also use a special education speech site
18 for speech therapy positions because they're more
19 specifically identified. We use the local radio,
20 professional associations like PASBO and the
21 Pennsylvania School Boards Association, and we also go
22 to the Pennsylvania Commonwealth's PA CareerLink for
23 noninstructional jobs.

24 An equivalent number of applicants respond
25 through these advertisements, not the local paper or

1 the *Merchandiser*. I believe the use of the Internet
2 would be equally successful to garner interested
3 bidders, particularly if there was a central state
4 depository. The Commonwealth could use the state's
5 E-marketplace through the Bureau of Procurement to
6 enable school districts to post solicitations and
7 potential contract opportunities. Meanwhile, although
8 newspaper advertising may be less than effective in
9 most regards, we are required to continue to advertise
10 in this manner, costing taxpayers thousands of
11 dollars.

12 In some cases a newspaper advertisement may
13 only identify one bidder. If there was only one place
14 to go to view bids, there would certainly be more
15 competition. The more competition, the better results
16 for the school district and taxpayers.

17 In summary, newspaper advertising offers no
18 guaranteed results, yet school districts are required
19 to advertise in them. We may realize that this may
20 not result in sufficient bids, so we choose to do
21 more. The mandate is rooted in the past and fails to
22 adapt to a very changing world that the Internet has
23 created. Please provide school districts with relief
24 from the continued escalating costs of newspaper
25 advertisement and amend House Bill 677 to also allow

1 for advertising legal notices on the Internet. Thank
2 you for the opportunity to discuss and I'm happy to
3 respond to questions at the end.

4 MR. ALLWEIN: Good morning, Chairman
5 Caltagirone and Marsico and members of the committee.
6 I'm Tim Allwein and I'm the assistant director of
7 governmental and member relations for the Pennsylvania
8 School Boards Association. I think a lot of what's in
9 my testimony has already been referred to. Let me
10 just add a little bit to some of the things that have
11 been said.

12 As Laura just pointed out, there are a
13 number of areas of the state where the current
14 requirements for local governments to place their
15 legal advertisements in newspapers of general
16 circulation just don't work, either because there are
17 no newspaper -- there are no local newspapers of
18 general circulation or because the newspapers of
19 general circulation are located so far away that a lot
20 of people don't read them because they could get their
21 news in weekly newspaper or in a shopper type
22 publication.

23 According to a study released by Penn State
24 in May 2006 entitled *Cost Savings on Mandatory Legal*
25 *Advertising By Local Governmental Entities*, over a

1 three-year period, the average expenditure on legal
2 advertising per school district was \$22,743, while the
3 total spent by all school districts on legal
4 advertising over the same time period was more than
5 \$11 million.

6 While these amounts may seem insignificant
7 in light of school districts' total operating budgets,
8 every dollar that we're able to save school districts
9 is another dollar that can use -- it can be used to
10 support student programs or another dollar that
11 property taxes do not need to be raised in order to
12 prevent cuts to student programs.

13 In these times of economic uncertainty, of
14 course, school districts, like everybody else, are
15 struggling, and everything that we can do to help the
16 school districts run more efficiently is certainly
17 important.

18 In addition, school districts are facing a
19 perilous spike in the employer contribution to the
20 public school employees retirement system, and of
21 course, as we do every year, face uncertainty over
22 what the education funding is going to be. And as you
23 know, there are a number of different proposals out
24 there that differ substantially.

25 I've summarized a number of school

1 districts' costs for legal advertising in my
2 testimony. And we have other districts' cost that are
3 available. I'd like to mention, too, that these costs
4 not -- aren't necessarily stable from one year to the
5 next. The cost for legal advertisements can increase
6 substantially, for example, when a school district
7 engages in a construction project, because the
8 additional -- additional advertising is needed to bid
9 for contracts and services.

10 There are already additional costs placed on
11 school instruction through state mandates such as
12 prevailing wage, bid threshold limits, and other
13 things, which have not been raised or removed in 20,
14 sometimes 40 or 60 years or even longer. So schools
15 already faced the difficult task of determining how to
16 control costs on those construction projects.

17 Shaler High School -- or Shaler Area School
18 District, for example, in Allegheny County began an
19 extensive renovation on their high school during the
20 2006 fiscal year. For that year the district had
21 budgeted \$10,000 for legal advertising; however,
22 because of the necessary advertising connected with
23 the construction project, that budget tripled.

24 Offering districts more options for
25 advertising is one way we can address this issue.

1 With regard to bid advertisements, advertising in
2 venues other than traditional newspapers can save
3 money in two ways. Number one, because the rates to
4 place ads in community newspapers are often less
5 expensive than those of newspapers of general
6 circulation; and number two, as has been said by
7 several folks already, bid advertisements can reach a
8 larger pool of contractors and, as Laura said, that
9 stimulates competition and that drives down the
10 bidding price in the process.

11 We believe that community papers offer a
12 cost effective alternative to school districts that
13 are already financially strapped and are looking for
14 other methods to reach their constituents. According
15 to figures released by the audit bureau of circulation
16 for the six-month period ending March 31st, 2009,
17 daily circulation of 395 of the countries newspapers
18 fell an average of 7.1 percent as compared to the same
19 time frame in 2008.

20 In addition to House Bill 677, we support
21 legislation as has been mentioned earlier, such as
22 House Bill 795 sponsored by Representative McIlvaine
23 Smith and Senate Bill 419 sponsored by Senator Robbins
24 over in the senate.

25 In the same 2006 Penn State study that I

1 mentioned earlier, it was reported that local
2 government -- governmental entities could have saved
3 approximately \$70 million over three years if legal
4 advertising were done on individual local government
5 websites rather than in newspapers. That's
6 \$70 million after subtracting websites' construction
7 costs and maintenance over three-year period.

8 According to the website
9 www.internetworldstats.com which bases its statistics
10 on information from the U.S. Census Bureau and Nielsen
11 NetRatings, 72.5 percent of the U.S. population has
12 access to the Internet. With more and more people
13 gaining access, it is natural progression to -- it is
14 a natural progression to allow publication of legal
15 advertisements on websites rather solely in
16 newspapers. School districts and other local
17 governmental entities could reach far more individuals
18 in their community and a desire for access to legal
19 advertisements would no longer require the purchase of
20 a newspaper.

21 Thank you. And since I'm the last one, I
22 guess I'll take questions as will everybody else on
23 the panel. Thank you very much.

24 MAJORITY CHAIRMAN CALTAGIRONE: Very good.
25 Let's start with the questioning.

1 REPRESENTATIVE STEVENSON: Thank you all
2 four your testimony today. I guess, Mr. Allwein, I'll
3 direct these at you. You're the last one to testify.
4 The critics of this legislation as well as Internet
5 advertising indicate that by moving in this direction,
6 rather than broaden the number of people who would be
7 reached for this advertising that pool of people would
8 shrink, using such examples as older citizens who are
9 not perhaps Internet savvy, don't have computers, or
10 raised in an era when the newspaper was the sole means
11 of gathering information.

12 How you do you see that issue and could you
13 address that, please?

14 MR. ALLWEIN: Number one, I think the
15 number -- the number of users on the Internet is
16 growing every year. That, of course, includes senior
17 citizens. And part -- I'm not sure that it's in House
18 Bill 677. I know that at least in the senate bill,
19 and I believe in Representative McIlvaine Smith's
20 bill, if a school district chooses to go the route of
21 publishing their advertisements on -- solely on the
22 Internet and local newspapers such as *Merchandiser*
23 type publications, they would have to first put a
24 notice in the newspaper saying that they're doing so.

25 Districts would also be responsible for

1 ensuring that folks have Internet access available.
2 So I believe districts would accomplish that by making
3 an Internet access available at a school building or
4 school buildings so that folks can come in, if they
5 don't have Internet access at home, to, you know, to
6 get on the website and do whatever they need to do,
7 including looking at advertising.

8 And of course most libraries, as you know,
9 most community libraries allow -- have Internet access
10 available for free for anybody who wants to use it.

11 REPRESENTATIVE STEVENSON: Thank you. I'd
12 invite any other members of the panel who wish to
13 weigh in on that question to respond as well. Thank
14 you. Thank you, Mr. Chairman.

15 MR. TROXELL: I'll respond to that,
16 Representative Stevenson. I think what's interesting
17 here with House Bill 677, when it comes to, say, you
18 know the fear of losing -- losing an audience for that
19 information, House Bill 677 kind of, like, steps in to
20 this continuum and enables us to basically expand
21 those vehicles that we currently use, published
22 newspapers, and get those in to people's mailboxes.
23 This is a step along the way. The claim that there
24 will be a reduction in the information getting out, if
25 we use 677 in combination with the other legal

1 advertising changes, using the Internet, I believe we
2 give local governments real options.

3 I mentioned earlier in my testimony how
4 roughly 500 or more of our communities would rather
5 publish in a newspaper, in a community paper. That's
6 one aspect, that's one choice they could make for,
7 say, our communities that surround the Pittsburgh area
8 or that surround the major metro areas. If they know
9 that the Internet is very -- very good for
10 distributing their information, if it's working for
11 their folks, then they can use that methodology. This
12 is not being done more or less as a demise of one
13 industry that's struggling at this point, but it's
14 really actually helping to promote one -- that form of
15 media that can be used at an even less expensive rate
16 for our taxpayers at this point.

17 MR. HILL: If I could respond just briefly
18 as well, what we're finding is that counties are
19 trying to run in both directions, because we know if
20 we limit ourselves to newspaper advertising, on the
21 other side we're missing a significant audience. My
22 children don't read newspaper -- my young adult
23 children don't read newspapers. They get all of their
24 information from Internet sources and electronic
25 communication. And so many of the counties do at

1 least post something, have a segment of their website
2 where they'll post advertisements, where they'll
3 provide access to meeting information and those kinds
4 of things. And so we're trying to straddle the line
5 right now as our communications methodology --
6 methodologies change. But to say that we should be
7 advertising just in newspapers, because that's where
8 our one segment of our population gets its information
9 really is being done at the expense of other segments.

10 MS. COWBURN: I would just say in a
11 community like Columbia our senior population is also
12 struggling financially. And I know a number of them
13 do not receive the newspaper. They just do not
14 subscribe to the newspaper. It deals with everything
15 that's going on in Lancaster, not necessarily
16 Columbia, and our Columbia paper ended up folding a
17 couple of months ago. We are restarting it next week
18 and hopefully it will go. But that's a one week in
19 Columbia, so it doesn't meet general circulation
20 requirements.

21 So these -- these other papers that are
22 distributed, and I understand from some people's --
23 it's junk mail coming into the mailbox, but it's free.
24 It's there. And if they know that's where they're
25 going to find the information about the school board

1 meeting, it's not junk mail. It now becomes something
2 that they can look forward to and find that
3 information free without having to pay to find out the
4 information. And in a small community like ours, and
5 I know many other small communities, if I post a note
6 down at Hinkle's Pharmacy, I get a lot more response
7 than if I send something out in a newspaper, because
8 that's where the community congregates. We know where
9 our population is going to be and where they're going
10 to meet. Senior centers, the representative offices,
11 we post things there because those are the places
12 where our community will frequent.

13 REPRESENTATIVE STEVENSON: Thank you all. I
14 thank you for your testimony today. Thank you,
15 Mr. Chairman.

16 REPRESENTATIVE EVANS: Thank you,
17 Mr. Chairman. Just have a brief question for
18 Mr. Allwein from the School Boards Association.
19 Media, of course, is a watchdog for government, for
20 school boards, and often we see reporting on districts
21 in a watchdog role.

22 Do you view the legal advertising issue as
23 something that, from an ethical standpoint, clouds the
24 line between the watchdog role and the receipt of
25 taxpayer money going to those entities via legal

1 advertising?

2 MR. ALLWEIN: I don't perceive that issue.
3 None of my members in the 19 years I've worked at PSBA
4 has ever said they felt that was an issue. I don't
5 know that anyone in our association or any of the
6 associations that we deal with in the education world
7 have ever felt that was a problem.

8 REPRESENTATIVE EVANS: Could it potentially
9 be some day?

10 MR. ALLWEIN: I -- I never say never on
11 anything. I think if you're around this business long
12 enough anything can happen. So I won't rule it out.
13 I -- to be honest, I'm having a problem thinking of
14 the circumstance that would make it an issue, though.
15 So I would have to say that it's probable, but
16 unlikely.

17 REPRESENTATIVE EVANS: I guess what I'm
18 getting at is the taxpayer dollars are being spent on
19 these newspapers.

20 MR. ALLWEIN: Right.

21 REPRESENTATIVE EVANS: Through the school
22 boards and through the boroughs and through the other
23 government entities. I don't know if anyone else
24 would like to chime in on this, but I'm just wondering
25 if you knew of any ethical dilemmas in the future

1 because of these payments. It's been done
2 traditionally, but is it an issue or is it not an
3 issue?

4 MR. HILL: I'll echo what Tim's said. It's
5 never been raised as an issue in any of our counties.
6 Our counties, I think, see them as two segregated
7 issues at this point. One is satisfaction or
8 dissatisfaction with the news coverage, and
9 advertising is a different matter all together.

10 MS. COWBURN: We have a variety of purchase
11 services that we do all the time that are operating in
12 that same manner, so I wouldn't think that this would
13 be outside of those same purchase services we have.

14 REPRESENTATIVE EVANS: That being said, I
15 believe this issue has risen up in the form of
16 editorials across the state urging the legislature not
17 to pass this legislation for various reasons. So I am
18 seeing some feedback from those entities on this
19 particular issue. And that is -- and the crux of it
20 is taxpayer money.

21 MR. TROXELL: And I believe most of that was
22 done under -- with the senate bill -- with the senate
23 bill that's out there on 419. As a matter of fact,
24 one ironic issue, I found out that I had one of our --
25 one of our member folks from up in the northeast,

1 Luzerne County area, and he was pointing out that he
2 did write an editorial to the newspaper because of
3 Senate Bill 419 was -- was on the editorial page. He
4 wrote back into the paper, and they did publish his --
5 they published his letter, which was, you know, which
6 was disagreeing, you know, with what the editorial
7 board was saying. And that was good to see. And then
8 the next day, actually a person from New Jersey wrote
9 in to say they had the same problem over there. So,
10 you know, it's a moving issue. I mean, it's something
11 that's moving along.

12 But it's funny. This is kind of off kilter,
13 but I had read an on-line in a letter to the editor
14 section coming from a major market daily out in
15 Pittsburgh basically that one of the persons there was
16 glad he was able to read that editorial on Senate Bill
17 419 that day in the Sunday paper when they published
18 it out in the western area because they had since
19 cancelled the daily circulation of that paper
20 throughout the week. And when he called circulation
21 department, you know, asking them, you know, why did
22 you cancel, I like my daily news, well, their response
23 was that the best way maybe you can get your daily
24 news is out on the Internet. And that was coming from
25 a circulation department of a very, you know, large

1 metro newspaper. So it's indicative of the times I
2 think.

3 REPRESENTATIVE EVANS: Thank you,
4 Mr. Chairman.

5 MAJORITY CHAIRMAN CALTAGIRONE: Thank you.
6 Chairman Marsico.

7 MINORITY CHAIRMAN MARSICO: Thank you,
8 Mr. Chairman. Thank you for your testimony this
9 morning. Sitting back here and listening to your
10 testimony and I'm wondering if the viewing public, I
11 guess we're being -- we're on PCN this morning, if
12 they really understand the issue? And it's
13 unfortunate the prime sponsor's not here to really
14 explain the history, the existing law and the history
15 of this law actually. And I'm sure many of our
16 taxpayers are very confused by this, by this law. And
17 a summary of the existing law which really wasn't
18 explained, I don't think, let me just, if I could,
19 Mr. Chair, just read that, our summary we have here in
20 front of us.

21 Chapter 3 of Title 45 is known as the
22 Newspaper Advertising Act which is intended to create
23 uniformity by the publication of legal notices in
24 official advertisements. The act provides that
25 official and legal advertising in the manner required

1 by statute, rule order, decree of court, resolution,
2 ordinance rule or regulation by any government be
3 printed and published in newspapers of general
4 circulation, official newspapers, and legal
5 newspapers.

6 Now, let's define newspapers. Newspaper as
7 set forth in Section 101 of Title 45 tracks with
8 proposed definition of community paper of mass
9 dissemination with the exception that the current
10 definition of newspaper provides that it be circulated
11 and distributed from an established place of business
12 to subscribers or readers without regard to number or
13 a definite price -- and I think that's obviously one
14 of the issues we're talking about here today -- or
15 consideration, either entered or entitled to be
16 entered under the postal rules and regulations as
17 second class matter in the United States mails,
18 subscribed from our readers at a fixed price for each
19 copy at a fixed price for annum.

20 Well, those free community newspapers then,
21 I mean this is one of the issues obviously, would --
22 with the legislation would allow them to advertise and
23 it would allow -- actually the taxpayers of this
24 Commonwealth are really paying almost \$70 million,
25 according to 2006, taxpayers, by mandate, through the

1 local municipalities and the school boards, et cetera,
2 the county commissioners, over \$70 million. Is that
3 what you all said?

4 MR. ALLWEIN: Mm-hmm.

5 MINORITY CHAIRMAN MARSICO: That's what you
6 all said, Tim, right?

7 MR. ALLWEIN: Right.

8 MINORITY CHAIRMAN MARSICO: So the taxpayers
9 are providing monies to companies that publications
10 and publishers and newspapers for profit, for-profit
11 company, and the taxpayers are actually paying for --
12 the way I see it, and I think everyone, if you read
13 the law, the existing law, you understand what's going
14 on here, that the taxpayers are really providing
15 monies to companies for profit so they can, by
16 mandate, are advertising these legal notices; is that
17 correct? Is that -- you're seeing this, is that what
18 you're saying?

19 MR. ALLWEIN: Yes.

20 MINORITY CHAIRMAN MARSICO: It would be a
21 huge savings to the taxpayer as well as allowing other
22 alternatives of legal notices through the Internet or
23 through the community papers, is that --

24 MR. TROXELL: Yeah, that's correct.

25 Basically we're being pigeonholed into just one form

1 where we can -- where the taxpayer can get their
2 information and it is a -- as it says here, at a fixed
3 price. What we would like to do in 677 is basically
4 expand that. We've heard from the panel that
5 sometimes at some points it's free. Some folks can
6 subscribe. But what we're looking to do is giving the
7 governing body, the people who are representing the
8 taxpayer, an option, a choice, an alternative to
9 spending something that we know is really an industry
10 that needs to really secure itself and is having a
11 hard time letting go of this one portion of income.

12 MINORITY CHAIRMAN MARSICO: Okay. Anyone
13 else want to respond in?

14 MS. COWBURN: I would just support that if
15 we are required to be notifying to the public, they
16 should have access to it in a free manner. They
17 shouldn't have to pay to find out what we're saying.
18 And any vehicle that can get that information to them
19 at a free option so that anyone has access to it is
20 the way the notices should be distributed.

21 MINORITY CHAIRMAN MARSICO: But you see this
22 as a simple amount of savings to the taxpayers across
23 the Commonwealth.

24 MR. HILL: It can be a savings. Now, we did
25 do some nominal research at least on potential cost

1 benefit. Depending on the marketplace it looked like
2 20 -- 25, maybe 30 percent savings, sometimes a little
3 bit higher depending on the circulation and the type
4 of paper, because we still would be buying an ad in a
5 community paper as well.

6 But I think the important point is we should
7 have the choice of advertising where it's going to
8 reach the public that it needs to reach. And so for
9 advertising meeting agendas or meeting notices, it
10 might make more sense in newspaper general
11 circulation, but if we're seeking something a little
12 more specialized like we're going -- we're advertising
13 for a construction contract, it might make more sense
14 to go with the prequalified bidders list or to
15 advertise in the trades. Yet under current law, when
16 we do that we're still required to buy the ad in the
17 newspaper of general circulation.

18 Another good example is sheriff's sales.
19 When we post them on the Internet or make them
20 available to interested parties who want to buy the
21 database, they're doing it because they -- those
22 methodologies are used because they're searchable and
23 that greatly increases the number of people who
24 participate in that process and improves their access
25 and their ability to make choices, whether they want

1 to participate. And so to say that in every case you
2 also have to do an ad in the newspaper of general
3 circulation to us is an unnecessary use of taxpayer
4 money, yes.

5 MINORITY CHAIRMAN MARSICO: Okay. One of
6 you mentioned a possible amendment to the bill. Who
7 was --

8 MS. COWBURN: I had mentioned the amendment
9 to the bill to allow for the Internet opportunity as
10 well and also an amendment to the bill to just make it
11 a blanket statement right now or waiver program for
12 the Department of Education allows us to each
13 individually apply for a waiver to do what it is and
14 we can get approval to do that, but if we can get
15 approval to do that through that method, then that
16 should probably be --

17 MINORITY CHAIRMAN MARSICO: Thank you very
18 much. Thank you, Mr. Chairman.

19 MAJORITY CHAIRMAN CALTAGIRONE:
20 Representative Grell.

21 REPRESENTATIVE GRELL: Yes, thank you,
22 Mr. Chairman. Thank you for your testimony. And I'm
23 wondering to what extent -- I mean, we heard a number
24 of \$70 million, I think, thrown around. But to what
25 extent have each of you or could each of you survey

1 your membership and get us some fairly reliable data
2 on what your various entities have spent on legal
3 advertising, say, in the past year? I think, Tim, you
4 gave some numbers. And I'm wondering if the others
5 have any information available or might be able to
6 make it available to the committee.

7 MS. COWBURN: We could probably pull
8 something together. Our problem with our school
9 districts and probably with the other boroughs and the
10 counties is our advertising budgets include so many
11 more things, such as job postings and other notices
12 other than just the legal notices. It would take some
13 time to parse those pieces out of -- every transaction
14 would have to be looked at to find out was this part
15 of the legal requirement or is this part of what we
16 need to do.

17 REPRESENTATIVE GRELL: I'm not necessarily
18 trying to make a lot of work for you, but it would be
19 very helpful to us. I know I contacted my
20 municipalities and school districts and got some
21 information back from them, which maybe the other
22 members of the committee might find helpful.

23 My largest municipality is Hampden Township.
24 And in 2008 the township spent \$35,000 on legal
25 advertising. In addition to that, their sewer

1 authority spent \$11,700 on legal advertising.

2 Camp Hill Borough spent \$11,000 in 2008 on
3 legal advertising. Tiny Wormleysburg Borough spent
4 \$3,500 in 2008 and already in 2009 they've spent over
5 \$4,000 on legal advertising. And one of my school
6 districts, the Cumberland Valley School District,
7 spent over \$8,000 on legal advertising through
8 April 17th of this year alone.

9 So the numbers -- I mean, in the context of
10 a large school district budget that might not seem
11 like a lot of money. But \$8,000 in four months is a
12 lot of money. I think the taxpayers are entitled to
13 some explanation of why they're spending that much
14 money and what benefit they're getting for it. So if
15 you had any information or could provide that, I would
16 encourage you to do so, because I think it would be
17 helpful to the committee. Thank you.

18 MR. ALLWEIN: We're about to put an on-line
19 survey out on a different issue, but it has to do with
20 budgets. And we'll be happy to include that question.

21 MS. COWBURN: It will be interesting to see
22 also the size of the IU advertising budgets, because a
23 lot of us use the consortium services, and when we bid
24 for supplies we go through the IUs, which is a
25 consolidation, helps save us some costs, but we still

1 have the cost of the advertising. It becomes much
2 larger because more information has to be out there.

3 MR. TROXELL: I think as well,
4 Representative Grell, I'm glad you pointed out the
5 authorities and the other governmental entities
6 because, you know, the authorities aren't here right
7 now and those folks face a lot of advertising costs.
8 And also with my testimony I attached that report that
9 came from Penn State on legal advertising costs that
10 made that available for folks in the committee. That,
11 I believe, is from the community papers. My list
12 attached, it's the larger report. It looks like this
13 here.

14 MS. COWBURN: It was done in 2006.

15 MR. TROXELL: Yeah, it's from 2006.

16 MAJORITY CHAIRMAN CALTAGIRONE: Counsel.

17 MR. ANDRING: Yes, thank you. As I listened
18 to your testimony here this morning and the questions,
19 everybody seems to be assuming that every municipality
20 or every governmental unit is always attempting to
21 notify the most people possible of every action you're
22 taking, and I understand in most situations that's
23 true. But one of the concerns I have about this
24 specific bill is the fact there are on occasion, on
25 occasion local municipalities who really don't wish to

1 notify the public to some of the things they're going
2 to do. Right now people who are interested in these
3 things know where to look for the advertising. Maybe
4 it doesn't have the greatest circulation in the world,
5 maybe it doesn't reach everybody, but people know
6 where to look. They know to look in that newspaper of
7 general circulation.

8 What this bill will do is introduce
9 alternative sources of advertising. And one of the
10 problems with that is that people are not going to
11 know where to look. And the municipalities or other
12 governmental units will have the option of putting any
13 ad in any one of these sources that they choose to
14 use, so that they can run 99 percent of their ads in
15 one publication, and when that 1 percent comes along
16 that they really don't want people to know about, they
17 can stick that in another publication where they never
18 put anything else and nobody's ever going to know
19 about it.

20 And I understand -- I'm not, you know,
21 making allegations of broad-based corruption, but this
22 stuff happens. Anybody who has ever dealt with local
23 municipalities know these things happen. And what
24 really concerns me about this bill is the definition
25 of the papers that will be allowed to be used for

1 legal advertising. I mean, I live on the West Shore.
2 I get the *Patriot* and I guest the *West Shore Shopper*
3 comes in the mail every week. I don't see a real
4 problem if you're using one of those two mediums to
5 advertise. But this bill goes considerably further
6 than that in their definition of what would qualify as
7 a local paper. It includes the ones where everybody
8 in a zip code gets the paper, but then it goes to a
9 distribution to the majority of established addresses,
10 and then it has a provision about papers that are
11 available in public locations. And you can walk down
12 in front of the post office here and see a row of
13 mailboxes with all sorts of handout papers. You can
14 walk over to Strawberry Square and see a shelf sitting
15 over there with a bunch of handout papers. I don't
16 know of anybody who really even knows what those
17 papers are. But if I wanted to bury an ad after this
18 bill goes through, believe me, there would be no
19 trouble making sure that the public didn't get
20 notification of something I really didn't want them to
21 get notification of.

22 And that is the concern I have as I look at
23 this bill. And I wonder if any of you could comment
24 on that.

25 MR. ALLWEIN: As I said in my response to

1 Representative Stevenson's question a couple minutes
2 ago, and again, I apologize, I'm not -- I'm getting
3 the three bills confused in my head here. I'm not
4 sure if it's in Representative Grucela's bill or not,
5 but I think that it would probably not be a bad idea
6 if a district or a municipality chooses to take its
7 legal advertisements somewhere other than a newspaper
8 of general circulation, then it would seem to me that
9 they should have to first put an ad where the ads have
10 been historically found saying beginning on such and
11 such a date, XYZ school district or borough or county
12 is going to place their legal advertisements and list
13 the websites, list the newspapers, list whatever
14 publication they're going to use.

15 You know, if the person is -- if the person
16 is of the nature to look at legal advertisements, if
17 they see that kind of notice, they're going to --
18 they're going to go and look at whatever publications
19 or websites are listed in that advertisement.

20 So I don't have any problem with school
21 districts having to put such a notice out and say, by
22 the way, beginning this date we're going to do this a
23 little bit differently, here's where we're going to
24 be, and if you don't have access to the website here's
25 where you can go and get it.

1 MR. HILL: Agree with Tim. We have some
2 precedent already for that. When we are --
3 historically had been the requirement that we had to
4 publish an issue for each meeting that we had, but a
5 number of years ago we got the ability to do a summary
6 and here's when our regular meeting is going to be.
7 In that same context and perhaps as a part of that
8 same manner we can say well, we are going to advertise
9 our contracts here, we're going to advertise our
10 meetings here, we're going to advertise our collection
11 notices in this place.

12 MR. ANDRING: I guess I personally would be
13 more comfortable with this if we either had an
14 Internet component or simply moved to the Internet.
15 And again, I'm thinking of this in terms of different
16 matters I've been involved in over the years as an
17 attorney. If a township were to list all of its
18 various zoning applications and, you know, requests
19 for approvals of various construction plans and
20 development plans on an Internet site, the people who
21 lived in that township would be able to check that out
22 once a month and see what's going on. And I'm just --
23 I'm very concerned that if we just do this bill alone
24 with the way it is now, again, when the situation
25 arises where you really don't want to get the

1 neighbors worked up about something that's in for
2 approval at the local township, you're going to be
3 able to bury that advertisement where there's a very
4 good chance people won't find it.

5 MR. HILL: I think there's a couple other
6 points to be made, too. The trend that I think we're
7 seeing among our counties is toward greater
8 transparency than less. If you've watched media
9 reports lately, more of our counties are going toward
10 streaming video to -- for their public meetings, for
11 example. And part of the reason they do that is
12 perhaps a little bit self-serving. If the public sees
13 it take place rather than through the filter of the
14 reporter, you know, they might have a better
15 understanding what we as commissioners are doing on
16 this particular issue.

17 Many of our counties are looking at other
18 technolog -- technologies to improve other types of
19 access as well. So for example, you can set up a
20 subscription service on your website so any time a
21 particular page is updated, the subscriber gets an
22 e-mail notice that that page has been updated, whether
23 that's the recreation program or whether a page to
24 bidding and advertising, that technology works all the
25 same.

1 And so they don't even have to go look for
2 it; it comes to them. And we're looking at those
3 technologies as well.

4 MS. COWBURN: I would also add that in
5 newspapers, for example, for the bidding documents and
6 for publications like that, you need to do it in two
7 newspapers of general circulation for three weeks, one
8 time a week, where if you put one notice in see our
9 website for our bid advertisement and it's out there
10 24/7, there's a lot better reliability that somebody's
11 going to have the access to it. They don't have to
12 find that newspaper. And even the newspapers use
13 their own source of combining newspaper advertising
14 onto the Internet to make searching those
15 advertisements easier.

16 And that's why we support even -- even a
17 state website for me to be an out of state or even an
18 in-state person to put in masonry and pull up all the
19 masonry bids that week or coming up, gosh, that gives
20 me so much better than trying to figure out, okay,
21 what's going on in Lancaster and what's going on in
22 York and, well, how many school districts are there,
23 what's the municipality doing, and it's all right
24 there for them. It at least provides a better access
25 that's more conducive to that. We are not necessarily

1 saying that we don't want to ever use a newspaper of
2 general circulation again. It's just the manner in
3 which we need to use it, the entire, you know, column
4 ad has to be in there, where we can't just put a
5 notice, we have a bid for this, please see our website
6 with an address. So there are a variety of ways to
7 solve the issue and save some costs.

8 MAJORITY CHAIRMAN CALTAGIRONE: In listening
9 to this, a little bit of history about myself. I was
10 a newspaper carrier for the *Reading Times* way back
11 when and had family members that were reporters that
12 worked for the newspaper, and Lisa's husband is one of
13 the editors on the papers, so, you know, it's kind of
14 close to home to say the least. With that being said
15 though, times are changing and we all know it. The
16 newspaper is, not just in this state but in this
17 country, are in serious financial trouble. There's no
18 question about that. They're struggling to exist.
19 But with the new technologies, and we're talking about
20 legal advertising, it's a competitive piece of, I
21 think, their bottom line to keep them operating. And
22 when the change happens, and I think it's going to
23 happen, this is not if but it's when is it going to
24 happen, we're going to see a completely different mode
25 of communications as you mentioned. I mean, who would

1 have thought 30 years ago that we'd have the Internet
2 or telecommunications as we have currently?

3 I did ask and I do have a copy and I will
4 share it with the members, the legislative office of
5 research prepared a study for me several months back
6 that I had requested on legal advertising. We have
7 that information we can certainly share with the
8 members. One of the things that I found out just
9 recently was, I don't know if this is totally accurate
10 but it was told to me that the Reading School District
11 alone costs them, and this may be total advertising,
12 but 708 -- \$781,000 a year.

13 Now, when you start punching those numbers,
14 compared to the other school districts like
15 Philadelphia, Pittsburgh, then you look at the
16 counties, cities, boroughs, the townships, the state,
17 and then all the other mandated legal advertising that
18 takes place that we've done, I mean, we've mandated
19 that through statute, I think the law journals should
20 certainly be consistent measure of that type of legal
21 advertising. That's my own personal opinion because
22 that's an important piece of this equation legally to
23 be met. Whether it goes through community papers,
24 weekly newspapers, or eventually totally on the
25 Internet, I just think it's probably going to happen.

1 We're talking about a substantial amount of
2 money that probably could be saved by the
3 municipalities, school districts and everybody else,
4 all the aforementioned. And I think when we get those
5 figures, I think members are going to have to wrestle
6 with this personally as to whether or not we're going
7 to see the demise of the newspapers in this state,
8 because I think that's what's at stake, and the jobs
9 of all the people that happen to work for those
10 newspapers.

11 We've had cuts at the *Reading Eagle*. I'm
12 sure most of the other people, you've seen what
13 happened to the *Philadelphia Inquirer*. You know, we
14 need to have reporters sitting in on meetings like
15 this. And all of the organizations that you represent
16 and those that aren't here today and we need to have
17 that transparency in government. With what we're
18 talking about here today and the broader issue,
19 whether it's this bill, whether this bill's amended or
20 any other type bill that's probably going to be
21 surfacing in this session, it's going to be difficult.

22 This is not -- I don't think this is an easy
23 issue that members are going to have to deal with.
24 And searching our conscience as to, you know, putting
25 the spike in the coffin, that could seal, I think,

1 almost the fate of most of the newspapers in this
2 state, that's really what's at stake here. I mean,
3 let's not mince words about this. I think we know
4 that we've been subsidizing, directly or indirectly by
5 the mandates in the statutes that we've created for
6 you to be forced to publicize the legal notices, and
7 this is the balance, you know, what -- what are we
8 about to do.

9 And I know that many members that I've
10 talked to, they're inclined to say, yes, you know,
11 this is the wave of the future, Tom, you know, things
12 keep changing and this is one of the changes that's
13 going to be taking place in our society. Whether we
14 like it or not, it's probably going to happen at some
15 point.

16 And this is one of the issues that I think
17 this committee is really going to have a tug of war
18 with as to come to terms with, you know, are we going
19 to take that last final step, and we're going to hear
20 from the newspaper associations next, and I know that
21 many of them are struggling. And I, you know, I
22 just -- I'm being torn by this issue because I know
23 what's at stake here. And I know the feeling of a lot
24 of members, you know, there's a love/hate relationship
25 with the media. And some of them probably would just

1 love to see the media go to blazes and they could care
2 less. And I'm not particularly of that mind set. I
3 wish there was some possible middle ground, and you
4 mentioned some of the possibilities that could take
5 place. But I would hate to see the newspapers in this
6 state come to an end. Because I don't think that
7 serves the public interest. I am really worried and
8 concerned about that. With that being said, if you
9 have any other comments, please feel free.

10 MR. TROXELL: If I could, Mr. Chairman, your
11 comments were wonderful. And it's one thing, I
12 wouldn't say that this could lead to a demise of an
13 industry. I guess I'm an optimist and I see it as
14 creating competition. We've seen how the newspapers
15 have taken on different ways, even the *Patriot* here
16 has even changed some of it's format to become more
17 attractive, shorter reading, things like that. I
18 would hope that things like this would foster
19 competition and that the industry who is, you know,
20 being faced with this type of competition would rise
21 to the challenge. I believe ultimately what this does
22 is it actually enables the taxpayer, let's us remember
23 that it's about the taxpayers' money that we're
24 stewards of here. And I know our folks want to be
25 able to use that money most effectively.

1 And lastly, to reflect the change in
2 society, even this very room where we're testifying,
3 there's rad -- remote control cameras that are now
4 being beamed out on cable TV. Things have just
5 changed. From the boroughs' perspective, we actually
6 enjoy having the newspapers, the industry of a lot of
7 our folks are employed there. I mean, their trucks
8 are in their communities, et cetera, things like that.
9 We'd rather not see an industry go the way of, like I
10 said, the town crier. But we have to be realistic and
11 we have to understand that times are changing.

12 So that's about the perspective I leave
13 with. And thank you for this opportunity.

14 MAJORITY CHAIRMAN CALTAGIRONE: Thank you.
15 Thank you very much for all your testimony.

16 We'll next move to Deb Musselman, Martin
17 Till, Ralph Martin.

18 MS. MUSSELMAN: Good morning, Chairman
19 Caltagirone and other members and staff of the
20 committee. My name is Deborah Musselman. We're very
21 happy for the opportunity to appear before you today.
22 I am director of government affairs with the
23 Pennsylvania Newspaper Association. With me today is
24 Martin Till to my right, who is chairman of our
25 government affairs committee --

1 MR. TILL: Good morning.

2 MS. MUSSELMAN: -- and publisher of the
3 *Express Times* in Easton; and Ralph Martin, who is
4 president of Trib Total Media, which publishes the
5 *Tribune Review* and five other papers in -- daily
6 papers in Western Pennsylvania; Teri Henning, our
7 general counsel, is also at the table with us.

8 As I think you know and I'll just state for
9 the record the newspaper association is a nonprofit
10 organization that serves the roughly 300 member
11 newspapers in Pennsylvania with advocacy, training,
12 education, and a variety of services.

13 With that, I'd like to introduce Mr. Martin
14 Till.

15 MR. TILL: Good morning, Mr. Chairman,
16 members of the committee. My name is Martin Till.
17 I'm the CEO, president, and publisher of Eastern
18 Publishing Company. We published the *Express Times*,
19 which is a 50,000 circulation daily newspaper in
20 Northampton County. We also publish a little bit in
21 New Jersey and Warren County. We also publish in
22 Lehigh County. We also have four weekly publications,
23 shoppers slash community papers, that we publish. We
24 also have three different websites, pennlive, we're a
25 sister paper of the *Patriot News*. We also have

1 lehighvalleylive.com. I'm also the executive vice
2 president of Penn Jersey Advance, which the parent
3 company of that and with that I oversee four daily
4 newspapers and a group of weeklies that has 22 weekly
5 newspapers, two of them paid, the rest are all free.

6 So I'm here to talk to you today about House
7 Bill 677, House Bill 795 and Senate Bill 419,
8 regarding the using shoppers and community newspapers,
9 of which I publish, and also on-line. And I sort of
10 want to talk about one thing that so far we've not
11 talked about, which is access. We need to remember
12 why public notices are relevant, and it's for people
13 to know what's going on in their government and not be
14 hidden from their government of what's going on.

15 If you -- if you look at the shoppers, and
16 every time I talk to the mayors of our communities,
17 they always complain about how many newspapers and
18 things are on their sidewalks and how many different
19 products are out there. If this becomes law, you'll
20 have more shoppers than you've ever seen in your life.

21 In my -- in my daily newspaper we cover
22 eight school districts in Pennsylvania and 30
23 municipalities. You can have mayors from each town
24 pick a certain paper that they like. You could have
25 school superintendents pick a certain paper they like.

1 You could have each municipality pick a certain paper
2 they like. And how does the citizen know where to
3 look, where to get their information, and how to get
4 it?

5 The other part of it is in Northampton
6 County in the last four years we've had 12 shopper
7 slash community newspapers come and go in the last
8 four years, start-ups, in town for a year, year or
9 two, and then close.

10 We've been around since 1855. To sort of do
11 a Mark Twain, "The story of our death has been greatly
12 exaggerated." 87 percent of Americans still read the
13 paper every week. If you add the on-line component to
14 newspaper, and the committee -- the group that was up
15 here earlier kept referring to a lot of on-line and
16 from what I could hear it's primarily newspaper sites
17 they were reading, newspapers have never had a larger
18 audience.

19 The other side of the access is the on-line
20 component is already being done. Over 90 newspapers
21 in Pennsylvania put their legal advertising on
22 mypublic -- mypublicnotices.com. It's an aggregator
23 where users can go and search all the legals from all
24 the newspapers and find it all in one place.

25 Imagine if you had every municipality

1 running their own website and as a citizen, if I lived
2 in Northampton County and I wanted to know what was
3 going on I'd have to go to the county website. I'm in
4 the Saucon Valley School District. I'd have to go to
5 the school district website. I'm in Lower Saucon
6 Township. I'd have to get township website. It's
7 just not realistic.

8 And the other side of it is we talked about
9 cost, it is not free to run a website. It is not --
10 it is not, you know, right now a lot of these smaller
11 municipalities are running websites. You know,
12 they're paying somebody 200 bucks a month and they're
13 keeping it on a small server. Well, you start getting
14 traffic where people are coming in, they're searching,
15 these things will have to be archived because it has
16 to be proved when it went up. If I'm a citizen and I
17 don't find the website or I don't find the legals I
18 want, because all of the navigation will be different,
19 and who do I call? Who are the resources of the
20 township or the school district to help me find the
21 legal advertising? How do I know it was put up on
22 time? Excuse me for being a publisher but I don't
23 really want to trust some of my municipalities of
24 putting the notices up on time. I'd rather have the
25 public know that it was done and not get a "trust me".

1 This is about access. This is about people
2 having, knowing what's going on in their communities,
3 in their towns. And by putting them in shoppers where
4 there's no guarantee people pick them up, I get a -- I
5 think it's a *Treasure Chest* that comes to my house in
6 the mail. I throw it away. There is no -- if
7 there -- you mentioned earlier about the number of
8 shoppers that are in stores or on racks. You don't
9 know who they are. You don't know if they're being
10 picked up. Just because I'm printing 20,000 of
11 something does not mean 20,000 people are picking it
12 up. Because I mail it to 10,000 homes does not mean
13 10,000 people are seeing it. It goes back, again, to
14 access.

15 The number I heard out earlier, I just
16 wanted to clarify on the Reading School District, the
17 numbers are they spend \$187,000 on legal advertising
18 over the past two and a half years, so.

19 MS. MUSSELMAN: I believe that was in the
20 School Board Association's testimony.

21 MR. TILL: Right.

22 MS. MUSSELMAN: So they might have put a lot
23 of other figures together in that 700,000 figure --
24 that -- that 187,000 figure might have included legal
25 journal advertising as well. That hasn't really been

1 addressed.

2 MAJORITY CHAIRMAN CALTAGIRONE: Yes, it was
3 total advertising.

4 MR. TILL: The other thing about the
5 on-line, going on-line only is, and I think it was
6 stated earlier, only 70 percent of Pennsylvanians have
7 on-line access. When you get to the urban areas, it
8 gets to only 60 percent. So four out of ten won't
9 have access to it, or in the state three out of ten
10 won't have access to it. And that's a significant
11 number.

12 We all recognize the importance of on-line.
13 We all have websites. We all invest significantly on
14 websites. But we also know that there is still a huge
15 portion of the population and some of it on the
16 on-line side would be those with lower incomes,
17 especially in today's economy there's a lot of people
18 make the decisions about what they have in their homes
19 and do not. If you go with on-line only, there is a
20 significant portion of the population that will not
21 have access to what the local government is doing.
22 And I'll let Ralph speak and take any questions.

23 MR. MARTIN: Thank you. Good morning,
24 Mr. Chairman and members of the Judiciary Committee.
25 As Deb said, I am Ralph Martin. I am vice chairman of

1 the Pennsylvania Newspaper Association and I'm
2 president, CEO of the Trib Total Media, which has a
3 combination of products in the Pittsburgh -- greater
4 Pittsburgh area. We have seven dailies, 17 weeklies,
5 a penny saver shopper product, 4 magazines, and 28
6 websites.

7 The combined average circulation for Trib
8 Total Media is 180,000 daily and 240,000 subscribers
9 on Sunday. We have 1.8 million unique visitors on our
10 websites each month. Our company's weekly newspapers
11 are a mix of pain-free publications that provide hyper
12 local coverage to the communities they serve. And our
13 shopper is mailed to 780,000 homes every week. Our
14 shopper represents about 30 percent of our total
15 economy revenue, so it is a big part of our business.
16 Our websites and our 1.8 million unique visitors
17 represent less than 10 percent of our total revenue.

18 And just for the record, we are one of the
19 newspapers that has an increase in circulation of
20 8 percent using the same ABC audits that everybody
21 else is so, you know, we are growing still. There are
22 papers that can do that.

23 MR. TILL: The Trib, too.

24 MR. MARTIN: So is Mr. Till. Like Mr. Till,
25 I'm here to talk about the importance of public

1 notices, and one of our positions is that newspapers
2 are where people turn for public notices and shoppers
3 aren't necessarily reaching those people who use those
4 notices. A quick anecdote that kind of describes our
5 position and feeling on our own shopper is Tuesday
6 night thinking about coming here today I was at my
7 son's lacrosse practice. And there were 20 -- 20
8 people there, 20 adults watching their son practice.
9 And I decided to just take a little poll. So I walked
10 down. All 20 people, I mean we all live in a small
11 village, and all 20 people were familiar with my penny
12 saver -- a third of them used regularly; a third of
13 them sometimes used it; and a third of them threw it
14 away.

15 This is pretty much how we see our shopper
16 operating and it's how we price it, because we know
17 that it doesn't get to everybody.

18 But the more important thing is that they
19 all use the word use. They don't read the shopper.
20 They use the shopper. They use it to buy things.
21 They also -- one of the members there really summed it
22 up for me very well. He said that legal notices to
23 him are the beginning of government debate or the end
24 of government debate. And without the context of the
25 coverage that the newspaper provides, he doesn't -- he

1 misses the debate. He just sees what's going to
2 happen or what might happen.

3 We also think that, in our case anyway, most
4 free newspaper -- newspapers are not delivered to
5 businesses. They are business owners oftentimes
6 statistically don't live where they own their
7 businesses. They live somewhere else and so they're
8 getting their advertising at home, not necessarily at
9 their businesses.

10 We also question the purported cost savings
11 as being not exactly accurate. From my own experience
12 with websites, 28 of them, we think that moving public
13 notices onto the Internet would actually cost
14 taxpayers money. As Martin said, public notices are
15 already on-line. He's testified about the
16 www.mypublicnotices.com. But we also know that local
17 government associations maintain that the cost of
18 public notices is unaffordable and in an unfunded
19 mandate, and the fact that PNA search of public
20 records carried out last year and again in January
21 reveals that expenditures actually comprise about
22 one-half of 1 percent of their operating expenditures
23 and often less, regardless of the size of
24 municipality.

25 We understand local governments are looking

1 for many ways to save money. We believe the damage to
2 access and transparency under House Bill 677 far
3 outweighs any hypothetical statement. Again, based on
4 my own experience, we know that there's significant
5 costs to establish and run a proposed Internet based
6 program. Ramping up Internet websites would cost tens
7 of thousands if not more in development, maintenance,
8 and security far, beyond the current amount that are
9 paid. The cost of establishing a statewide website
10 would be significant as well.

11 PNA submitted a right to know request to
12 ascertain the cost of Department of State's
13 corporation bureau database. The Department of State
14 reported that it costs 600,000 to start up; it costs
15 about 60,000 a year annually from 2003 to 2007 to
16 operate; and in 2008, 300,000 was spent to add -- to
17 do upgrades.

18 Websites in addition to Senate Bill 419 and
19 House Bill 795 would also require a secure server,
20 professional staff to maintain and manage, something
21 to verify that the notice appeared on-line, and the
22 date and time required and there have to be some
23 archiving. The DCED provided an estimate of \$250,000
24 along with concerns about spending this money. We
25 believe that that figure is low given the U.S.

1 experience.

2 Cost to legal and state government agencies
3 in establishing local websites would also be great.
4 Significant costs would also be incurred by local
5 government in establishing their own official Internet
6 websites as provided under the bill. Again, this
7 would have to be incurred by the taxpayers. Penny
8 savers and shoppers are lower rates, but they are
9 lower for the most part because they are based on
10 uncertainty of their final distribution readership.
11 Newspapers are, of course, willing and interested in
12 working with government agencies to provide and
13 promote public notices in a cost effective way. But
14 this cannot come at the expense of public access and
15 to the accountability of government as proposed by
16 these bills.

17 Newspaper advertising act includes basic
18 language about rates. And we recognize that the
19 newspaper and legal journals charge different rates
20 across the state. Public advertising is a public
21 trust and we take that seriously. We recognize that
22 almost four years have elapsed since the initial set
23 of bid limit bills that we negotiated past the House.
24 And we intend to withdraw our objections to the
25 package of bills now before the Senate Appropriations

1 and House Bill for government committees. This is
2 subject, of course, to ongoing review of proposed
3 changes or additions to these bills that have not been
4 presented previously.

5 We also propose no objection to efforts of
6 certain municipalities, such as the Borough of
7 Middletown, that provide electricity to residence to
8 control costs by purchasing power in the spot market,
9 which involves adding energy purchases to the list of
10 contracts that do not need advertising requirements or
11 bid -- for bidding proper price quotations.

12 Finally, we are for the first time proposing
13 revision to our state law to add more formal rate
14 language to ensure that public advertisers receive the
15 newspapers available -- best available commercial rate
16 in their respective markets. We stand ready to work
17 with you on specific language.

18 Both the Internet and shoppers proposals put
19 government in charge of policing it's own performance
20 in a way that is detrimental to both governments and
21 taxpayers. Under Senate Bill 419 and House Bill 795,
22 state government is charged with reaching into the
23 private sector to take work away from hundreds of
24 taxpaying businesses and employers, while House Bill
25 677 forces the diligent citizen to -- into a daily

1 search for information he needs in order to monitor
2 his local government.

3 Both concepts fix what isn't broken.
4 Newspaper publications supplemented by
5 www.mypublicnotices.com and Internet database protects
6 public access. And we ask you to oppose these bills.
7 Thank you for your attention and consideration. We'd
8 be happy to answer any questions you might have.

9 REPRESENTATIVE GRELL: Thank you. Thanks
10 very much for your testimony and clarification. I
11 think you made some very good points and a couple that
12 I'd like to follow up with.

13 Can you explain a little bit more how
14 mypublicnotices.com works? Does the -- well, maybe
15 I'll pursue after you answer.

16 MR. TILL: As we -- -- excuse me. As we
17 publish the ad that night, we send it to the website.
18 There's a link on our site that takes you to my public
19 notices. And then it's a searchable database.

20 REPRESENTATIVE GRELL: Does the municipality
21 pay extra to have that linkage?

22 MR. TILL: Not with us. It's included in
23 the charge.

24 REPRESENTATIVE GRELL: Okay. Does my --

25 MR. TILL: Some newspapers may. I want to

1 clarify. Many newspapers may, but I think at the most
2 it's like \$10 --

3 REPRESENTATIVE GRELL: Does
4 mypublicnotices.com pay something to a newspaper to
5 get that information that they then sell to their
6 subscriber?

7 MR. TILL: No, sir. It's the opposite. We
8 pay them. We pay them to put it up.

9 REPRESENTATIVE GRELL: And I think you said
10 90 Pennsylvania newspapers.

11 MR. TILL: Correct, and growing.

12 REPRESENTATIVE GRELL: Does that include all
13 of the legal notices or is it --

14 MR. TILL: The legal -- all the legal
15 notices that we publish go on-line, correct.

16 REPRESENTATIVE GRELL: Okay.

17 MS. MUSSELMAN: Excuse me. Your packet
18 includes a printout page that shows you a screen shot
19 of the website yesterday.

20 REPRESENTATIVE GRELL: Yeah, I'm familiar
21 with the website. I just didn't know what kind of
22 financial arrangement there was, if that, you know,
23 was --

24 MR. TILL: We pay them, and I believe -- I
25 believe it's \$8.50 an ad. It's a flat fee per ad that

1 we send to them.

2 REPRESENTATIVE GRELL: Okay. Now, I notice
3 that you said you participate with pennlive.com. Do
4 you publish your legal notice or do you post your
5 legal notices on pennlive.com?

6 MR. TILL: I believe pennlive uses my public
7 notices.

8 MR. HENNING: And you can speak to Lehigh
9 Valley.

10 MR. TILL: Yeah, my main site is
11 lehighvalleylive.com. So the folks who use me from a
12 legal standpoint would go through
13 lehighvalleylive.com. I send some content but I
14 don't -- I have my own separate site in the Lehigh
15 Valley.

16 REPRESENTATIVE GRELL: But I assume your
17 site is similar to pennlive.com.

18 MR. TILL: It is correct, same architecture,
19 yes.

20 REPRESENTATIVE GRELL: If the mission is to
21 get as much public notice as possible, I'm wondering
22 whether it is common practice for newspapers that have
23 Internet sites to post those legal notices on their
24 Internet sites as well, or does it all run through
25 public notice?

1 MR. TILL: I don't know if we have a survey.

2 MS. MUSSELMAN: I don't know that we have
3 broken that out. The papers that don't participate in
4 My Public Notices by and large are in parts of the
5 state where the broad band availability is not so
6 great. That is one of the factors that we're trying
7 to evaluate as far as the Internet usage. But some
8 papers do both, some do one, some do the other.

9 REPRESENTATIVE GRELL: That was my primary
10 reason for asking, because there at least you can
11 track hits and we could get some idea of how readily
12 people use the Internet to access these kinds of
13 notices. So if you would have anything on that, that
14 would be helpful to us. And 90 newspapers out of how
15 many? How many newspapers are in Pennsylvania?

16 MS. MUSSELMAN: We have, what is it? I can
17 never get my head screwed on right here. 83 daily and
18 175 weekly, something like that.

19 REPRESENTATIVE GRELL: Okay. And that 90 is
20 out of that total number?

21 MR. TILL: Right.

22 REPRESENTATIVE GRELL: The 90 that are on
23 public notice.

24 MR. HENNING: The large majority of dailies
25 are participating.

1 MR. TILL: The daily number I think is in
2 the 90 percentile or higher of daily newspapers are
3 using mypublicnotices.com. It is by far the majority.

4 REPRESENTATIVE GRELL: Okay. I believe you
5 were both careful to point out that your particular
6 newspapers have increasing readership, but everything
7 I read is the newspaper industry in general has
8 declining readership. And if that is the case, how
9 can the state legislature and this committee not at
10 least consider alternative ways of getting that news
11 or those public notices out?

12 MR. TILL: I think that's two different
13 things. I think on obviously in a national scale
14 circulation at newspapers is down, yes. Readership,
15 however, is not. And I think that's where the
16 addition of the on-line makes all the different.

17 My newspaper -- our circulation's about the
18 same. It's been -- I've been there almost 11 years.
19 It's about the same as it was eleven years ago. My
20 on-line site every month is growing up to 15,
21 20 percent in audience and in page view. So if you
22 aggregate the two together, and our argument to you is
23 we do that with the legals. You know, it used to be
24 you just got our print audience. Well, now you're
25 getting our print and our on-line audience, and our

1 on-line audience across the board has never been
2 larger. I mean, what was your unique users,
3 1.3 million?

4 REPRESENTATIVE GRELL: But you're only
5 getting those in those 90 newspapers that have the
6 on-line posting of their legal notices.

7 MR. TILL: The on -- the 90 papers that are
8 using my public notices, the other newspapers may, and
9 I don't know this but we can find out for you, the
10 other newspapers may put their legals on their own
11 website, they just don't send them to the aggregator,
12 if you well.

13 REPRESENTATIVE GRELL: Okay. I want to talk
14 a little bit about pricing. And I know it's a
15 sensitive topic. But I did hear you say, I guess it
16 was Mr. Martin, said that you're interested in
17 discussing best available commercial rate and maybe
18 clarifying that.

19 The thing that I can't understand and can't
20 justify is that a two-inch, very uncreative, text-only
21 legal notice might cost \$300 and I'm sure that your
22 retail customers are buying full pages not for \$300,
23 but if they bought a two-inch ad it would be a lot
24 less than \$300.

25 So give me a little bit of information on

1 that and how we might be able to help save taxpayer
2 dollars.

3 MR. MARTIN: Well, I think the hard part for
4 us is that we never really -- I mean, we can't sit
5 down and say what do you charge these days and what do
6 you charge -- from paper to paper to paper, so we've
7 been very careful to not do that.

8 MS. MUSSELMAN: Because of antitrust.

9 REPRESENTATIVE GRELL: I understand.

10 MR. MARTIN: But as a result, there's been
11 so varying rates for that same two-inch ad and we
12 believe that that could be resolved, that there could
13 be limits set, with discussion of how to do that. But
14 there could be limits set on what you could expect to
15 charge for the particular ads.

16 MR. HENNING: We could make best available
17 rate.

18 MR. MARTIN: We would make it best available
19 rate.

20 MR. TILL: What we talk about for commercial
21 customers, an ongoing customer, that you would qualify
22 for the lowest rate that's on the rate card. So if
23 the lowest rate is a dollar a line or a dollar an
24 inch, that's what you're paying. You earn the lowest
25 rate available to anybody.

1 MR. MARTIN: No more for you than a car
2 dealer.

3 REPRESENTATIVE GRELL: Because I think that
4 is absolutely essential because, you know, you and
5 your members are not hesitant to criticize us for
6 wasting taxpayer dollars. And if the municipality's
7 paying \$300 for a two-inch ad and the local car
8 dealership is paying \$10 for the same thing, that is
9 wasting taxpayer dollars.

10 So I think -- I'm very interested in
11 pursuing that with you as sort of a must do.

12 MR. MARTIN: In a really small example, you
13 know, the sheriff sales is a very expensive
14 advertising because it has to run and it's so big.
15 And in Pittsburgh it's very large. And it always
16 bounced kind of back and forth between the *Post*
17 *Gazette* and the *Trib*. And it was really not effective
18 for readers. It wasn't effective for government. It
19 wasn't effective for anybody because we were chasing
20 those things.

21 And without discussing our rate package,
22 because we didn't, we knew the sheriff only had so
23 much to sell, we decided to try to find a way to put
24 it in both papers for no more money every month. And
25 that made life a lot easier. Every constituent,

1 everybody there had access because we both put it on
2 our websites as well. So I think it was a case of
3 sitting down with government and finding a way that
4 made sense for the consumer. And we were able to do
5 that there.

6 MR. TILL: And we also talked about if I'm a
7 commercial customer and I earn the lowest rate and if
8 the ad needs to run two times a week, whatever, a lot
9 of us give discounts for ads that run more than once a
10 week, get a frequency discount. We've also talked
11 about lowest rate plus all applicable discounts, so
12 there would be no penalty in a sense for running a
13 legal ad. You'd be entitled to the lowest rate
14 anybody was bid in the newspaper.

15 REPRESENTATIVE GRELL: Well, I thank you for
16 your testimony and your answers to the questions and
17 look forward to working with you all to come up with
18 something that works for everybody, including
19 Mr. Taxpayer.

20 MAJORITY CHAIRMAN CALTAGIRONE: Chairman,
21 while Chairman Marsico is reviewing his notes, first
22 of all, let me assure you that we'll make copies,
23 Kurt, of all of this to be sent to the members, the
24 entire membership of the judiciary committee. That's
25 number one. Number two, hypothetical, if this were a

1 similar piece of legislation, let's say would it be
2 approved, accessible to everybody else, how
3 devastating would it be on your industry? And it's
4 terrible to have to say that, but I mean --

5 MR. MARTIN: No, I understand what you're
6 saying.

7 MAJORITY CHAIRMAN CALTAGIRONE: But if worse
8 came to worse, and let's say this piece of legislation
9 were to become law, or similar type legislation, what
10 would it do to the industry?

11 MR. MARTIN: In my case, which is all I can
12 speak to, legal advertising represents less than
13 7 percent of our total revenue. Would it have an
14 impact? It does. But, I mean, we talk about a lot of
15 money being spent, but it's being spread out. I mean,
16 it's not significant as one of our larger accounts.
17 It's not like that. So it's about 7 percent or less
18 of our total revenue.

19 Would we have to adjust if we lost
20 7 percent? We do that every day. We have to make
21 adjustments. But I'm not sure it would be devastating
22 for us.

23 MAJORITY CHAIRMAN CALTAGIRONE: Some
24 newspapers it might be.

25 MR. MARTIN: If you're a small newspaper.

1 MR. TILL: Depends how fast the auto dealers
2 come back. It all depends how fast this recession
3 ends.

4 MR. MARTIN: If you can help us with that.

5 MR. TILL: If you can fix that problem, it
6 would be great. And I think that's part of the
7 equation. You know, newspapers are not the only ones
8 hurting with the economy right now. I mean, there's a
9 story out yesterday, billboard's way down, radio's way
10 down, everybody's down because people aren't
11 advertising.

12 MAJORITY CHAIRMAN CALTAGIRONE: Retailers.

13 MR. TILL: Everybody's down. So, I mean,
14 does a 5 percent hit in revenue hurt? Of course it
15 does. I mean, you know, does it mean loss of jobs,
16 yeah. I mean, it would. Does it mean we're out of
17 business? I don't think so. Well, I know it doesn't.
18 But, I mean, it's not good. But again, and, you know,
19 it is -- it is spending. And it is money.

20 And you know, I was thinking when I was back
21 here, again, I've been the publisher at the *Express*
22 *Times* for 11 years and I've never had a school
23 superintendent or a mayor or county executive come to
24 me and say, boy, we're spending way too much money
25 with your newspaper. It just didn't -- I've never had

1 that conversation. And again, for me it's about
2 access. And there's our casting side of me, when I
3 hear that \$22,000 a year for a school district and I
4 think if the Eastern School District had pumped a half
5 million dollar into a sinkhole without telling
6 anybody, okay, we just paid for 20 years worth of
7 legals by not doing that.

8 So I mean, it's money, but for me it's the
9 access. People need to have access to this
10 information. And if you separate it out and put it in
11 15, 20 different publications, I don't know where to
12 look for it. If you put it on 15, 20 different
13 websites, I don't know where to get it.

14 And I think it also allows people to say,
15 look, you know, I'm putting this up over on this
16 website, go over, you'd be the only bidder, and
17 there's potential for fraud there. I think we got to
18 be very careful of that. The transparency is very
19 important to us.

20 MAJORITY CHAIRMAN CALTAGIRONE: Chairman
21 Marsico.

22 MINORITY CHAIRMAN MARSICO: Thank you,
23 Mr. Chair. Thanks for your testimony this morning.
24 Page 2, Martin, Page 2 on your testimony, at the top
25 there, could you further explain what you mean by

1 "Bills that would put public notices in shoppers or
2 the government-run websites would promote government
3 secrecy, undermine the public's ability to hold
4 government accountable for its actions." That's
5 quite -- that's an alarming statement.

6 MR. TILL: It is, but I -- you know, we've
7 had enough experience with some of our municipalities
8 that, you know, I'm a voter and I'm a taxpayer and I
9 don't necessarily trust all of the municipalities to
10 do it right. That's why we have transparency. That's
11 why we have the notices have to be in the newspaper,
12 you know, the citizen can go to the meeting. They can
13 be a part of the meeting. I mean, there was a
14 discussion earlier about, you know, it would be nice
15 to not have to put it in the newspaper because we know
16 who some of the vendors are and we can go directly to
17 the vendor. I don't think that's what it's about.

18 I mean, there might be new vendors, there
19 might be somebody else that can do better, there may
20 be somebody that's not quite as good of a friend.

21 MINORITY CHAIRMAN MARSICO: You're saying
22 you don't trust your local government then. That's
23 what you're saying.

24 MR. TILL: I think asking the local
25 government to watch themselves is a very dangerous

1 process. I think we're much better off putting it out
2 in public and being held accountable in the public. I
3 think that's the way this country works and I think
4 it's --

5 MINORITY CHAIRMAN MARSICO: When you say the
6 public too, they don't trust the media as well.

7 MR. TILL: And they can --

8 MINORITY CHAIRMAN MARSICO: Just to throw it
9 back, a little reversal there.

10 MR. TILL: My thing is to say we want, you
11 know, municipalities to control the website. They put
12 up when things are happening, what's happening. I
13 just think there is -- there is potential there for
14 problems. And I think by putting it on one website
15 where everybody can go, where it's time stamped, you
16 know when things were put up, you avoid any conflict
17 or problems.

18 MINORITY CHAIRMAN MARSICO: I don't want to
19 continue this debate, but on Page 3, Mr. Martin, you
20 had mentioned down under newspaper rate issues, the
21 second paragraph, you say that you recognize it's
22 four years have elapsed since the initial set of
23 bid-limit bills that we negotiated past the House and
24 we intend to withdraw objections to the packet of
25 bills now before the Senate and the House Local

1 Government Committee. Can you tell us what bills they
2 are? You're speaking to --

3 MS. MUSSELMAN: Representative, the
4 reference to the bills that we negotiated four years
5 ago, you recall they came out of the local government
6 committee. Representative David Steil had worked out
7 some language as far as the amount of increases in the
8 bid limits and the telephonic quotes. Those bills
9 have -- had passed the house in December '06 and then
10 they moved a little bit in the senate last year. They
11 increased -- some of -- there are 20 bills that amend
12 a variety of local government codes, municipality
13 authorities, third -- third-class county law, all --
14 all of those local government codes, the basic gist of
15 it is that they would increase the minimum telephonic
16 quote from \$4,000 up to 10,000, the no -- no bid
17 bid limit to go from 10,000 to 25,000. We have been
18 objecting to that and we've -- we've decided that we
19 will withdraw objections to that package bills.

20 MINORITY CHAIRMAN MARSICO: They're now
21 before the Senate or the House.

22 MS. MUSSELMAN: They're approved in the
23 Senate Appropriations Committee now and there's a
24 group of companion bills in the House Local Government
25 Committee.

1 MINORITY CHAIRMAN MARSICO: Okay. Thank you
2 very much, Mr. Chairman.

3 MAJORITY CHAIRMAN CALTAGIRONE: Thank you
4 all. Appreciate your testimony. We'll next hear from
5 Jim Haigh, government relations consultant
6 Mid-Atlantic Community Papers Association.

7 MR. HAIGH: Is this on? Okay. Good
8 morning, Chairman Caltagirone, Chairman Marsico,
9 Representative Grell. My name is Jim Haigh and I'm
10 government relation to the Mid-Atlantic Community
11 Paper Association. And I'm here with John Hemperly
12 who is general sales manager of Engle Printing and
13 Publishing who has been publishing community papers
14 across -- in the southeast Pennsylvania for over the
15 last half of the century.

16 I'm here today to speak on behalf of House
17 Bill 677. And to briefly summarize, House Bill 677
18 updates Title 45 Legal Notices to reflect market
19 realities that have both evolved and dissolved in the
20 33 years the current language has been law. It would
21 restore audience lost to closures, consolidation, and
22 declining page circulation. It would restore
23 competitive pricing environment for those mandated to
24 advertise. It would use the free market to remedy
25 original flaws of construction and corresponding

1 abuses, without new mandates. The demonstrable
2 impacts on both reach and price of legal advertising
3 are clearly expressed in Exhibit A and Exhibit B.

4 The title -- Title 45 asserts itself into
5 nearly every instance of advertising mandated by state
6 law, from the birth of a business to the death of a
7 neighbor within a state, and over \$26 million in local
8 government advertising in between. Each of the
9 numerous statutes that compel the purchase of legal
10 advertising rely on Title 45 for the definition of the
11 marketplace, which is a narrow subset of community
12 publishing. As decided in 1976, only pay-to-read
13 publications are legally qualified to publish and bill
14 for official notice.

15 At the time, people only read what they pay
16 for may have made sense as a premise. So should have
17 safeguards for the compulsory consumers in a monopoly
18 created by state law. While most states have
19 provisions to prohibit price gouging, like setting
20 fixed rates as New Jersey does or capping rates at
21 commercial levels as Ohio does, Pennsylvania stands
22 alone with its legislative invitation to charge as
23 much as a publisher can get away with.

24 That's actually a footnote, too. It's no
25 small wonder that some papers take the state up on the

1 complicit offer. That flawed construction of Title
2 45, giving a privileged monopoly an extra helping of
3 laissez-faire, has compounded in the backs of rate
4 payers as the exclusive marketplace shriveled in size
5 and scope during the 33 year sentence.

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

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

17 Since the enactment of Title 45 in 1976,
18 Pennsylvania has lost 22 daily newspapers. The
19 combined circulation of the dailies that cease
20 publication was over 1.5 million, and that of the
21 remaining has shrunk significantly. During the same
22 span of time no less than 153 pay-to-read weeklies
23 have also gone away. But no new publications have
24 been allowed to replace the 175 or more lost under
25 Title 45.

1 The standard consequence is legal
2 advertisers paying more to notify smaller audiences
3 than in any time in modern history of our
4 Commonwealth. There are also extreme consequences
5 where mandates to advertise, monopoly, and legalized
6 price gouging collide. The most shocking example is
7 happening right now in Philadelphia. Court documents
8 and invoices reveal that the *Inquirer* charges the City
9 of Philadelphia a staggering 63 times more than rates
10 it proposed and are in effect on the other side of the
11 Delaware River. Using the 3 million annual spending
12 on legal advertising that it reported, the *Inquirer*
13 could actually save the City of Philadelphia well over
14 \$2 million a year by simply giving it the New Jersey
15 rate deal, the deal that it actually negotiated and
16 underbid with New Jersey. And that's amply put in the
17 foot notes there.

18 We hope the defenders of the status quo, in
19 particular the monopoly incumbents who pride
20 themselves in their watchdog abilities, take an honest
21 look at the bottom line here. These are serious
22 numbers. And in an era of universal budget shortfalls
23 they can translate into lost jobs, lost libraries,
24 lost fire stations, lots of losses. More than just
25 money.

1 Absolute credibility is on the line as
2 institutions with the financial interest at stake
3 report on government's waste, fraud, and abuse in
4 whole numbers but continue to remove dollar signs and
5 hide their own profiteering in the context of mere
6 fractions of budget. With these real numbers, legal
7 advertising reform is needed now more than ever. The
8 plight of Philadelphia may be extreme, but scenarios
9 across the state, however modest in comparison, like
10 charging \$19.28 for an affidavit, which is required by
11 law when your average paper charges \$3. That's
12 footnote eight. We believe that the best and swiftest
13 solution is allowing bona fide competition under Title
14 5, which is exactly what House Bill 677 does.

15 Competition obviously worked for Camden, New
16 Jersey, and saved Allegheny County sheriffs over
17 several million over the last several years as well.

18 The majority of legal advertisers are not as
19 fortunate as robust competition for their business has
20 long since disappeared.

21 Meanwhile, the trends in pay-to-read
22 publishing are irreversible. House Bill 677
23 recognizes this simple fact and provides remedy for
24 mandated consumers under Title 45. If enacted, those
25 forced to purchase legal advertising would no longer

1 be hostage to legal advertising markets dissolving at
2 their expense. Thank you very much. John Hemperly.

3 MR. HEMPERLY: Well, good morning. I'm the
4 last one on the agenda. Good feeling, no? My name is
5 John Hemperly and I'm the general sales manager for
6 Engle Printing and Publishing company, headquartered
7 in Mt. Joy, Pennsylvania. Thank you for the
8 opportunity to address the House Judiciary Committee
9 on subject of legal advertisements and the process by
10 which the public at large is informed of the same.
11 55 years ago Alvin Engle, the founder of our company,
12 purchased a small sheet fed multi-lift press to
13 supplement his income. He installed the press in his
14 basement and operated -- operated it in the evenings
15 and on Saturdays. Through numerous expansions and in
16 the spirit of entrepreneurship, the family-owned
17 business grew and now operates the state-of-the-art
18 web press printing facilities, employs upwards of 400
19 people.

20 More importantly and of interest in the
21 subject at hand, since 1959 we have been publishing
22 free community papers. Each week our free
23 publications are delivered to over 150 South Central
24 Pennsylvania zip codes. These papers reach over a
25 half a million household, hundreds of boroughs,

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

8 While some will question the receivership
9 and readership of our products, Circulation
10 Verification Counsels, St. Louis, Missouri, recently
11 audited most. CVC interviewed over 1,700 residents in
12 our primary market area. Respondents reported an
13 astonishing 99.1 percent receivership with over
14 75 percent readership reported.

15 The survey was funded by a third-party
16 association, so CVC had no interest in making us feel
17 good about our own numbers. No, not everybody reads
18 our papers, but with the self-proclaimed decline in
19 circulation from paid newspapers one not need a
20 calculator to show our papers, our local periodicals
21 as a viable vehicle for dissemination of information
22 to consumers and voters of the Commonwealth, including
23 legal advertising.

24 Earlier this year our company has had direct
25 competitors cease publishing their paid papers. These

1 papers were known as the hometown paper. Some of
2 these now defunct papers had been in business for well
3 over 100 years. But due to a lack of readership which
4 led to a lack of advertising revenue which led to a
5 negative bottom line, the owners of these properties
6 shuttered their doors. Yet these were the same
7 publications that current legislation dictates as the
8 acceptable way to educate the voters and contractors
9 about government -- government meetings, bids for
10 equipment and services, and upcoming changes in local
11 laws.

12 In many communities the paid paper has a
13 monopoly on the placement and the pricing of these
14 legal advertisements. City councils, school board
15 directors, township supervisor hands are tied where
16 and how much to pay for these announcements.

17 If we are concerned with the exposure of
18 legal advertising to the populous, we should once and
19 for all allow the local governing bodies a choice and
20 vote affirmative for the passage of House Bill 677.

21 Thank you.

22 REPRESENTATIVE GRELL: I'm sorry. I did
23 have one question but this is for counsel. Does
24 the -- do these bills cover estate notices and
25 foreclosure notices and things like that? Is it all

1 types of legal advertising or is it just the municipal
2 stuff that we're talking about?

3 MR. ANDRING: This bill would allow for the
4 substitution of the -- what are they referred to as
5 the community newspapers and in the place of a
6 newspaper of general circulation anywhere a statute
7 requires publication in a newspaper of general
8 circulation. So that would apply generally to
9 corporate notices, corporate -- all of business
10 notices, the municipal notices, all of those.

11 REPRESENTATIVE GRELL: Okay. Thank you.

12 MAJORITY CHAIRMAN CALTAGIRONE: We've talked
13 privately about this very issue, as you know. You
14 know the concerns that have been raised here today.
15 We're not trying to put -- at least from my point of
16 view, I don't think many of us would like to see any
17 of the businesses be put out of business, simply
18 because these are hard economic times, and I don't
19 think that's what you're thinking, but could you
20 expand on some of the discussions that we've had in my
21 office about your interest in this particular piece of
22 legislation and/or the other parameters of what this
23 might entail for the future?

24 MR. HAIGH: For us, we're free markets. We
25 believe in the free market. We've -- many of our

1 papers have been fighting for this and have been
2 publishing for 10 years, 20 years, 50 years or more,
3 serving their communities. And from our end of
4 this -- especially when you look at Exhibit A and
5 Exhibit B, when you look at the fact that we can go to
6 two times, three times, four times and have four times
7 the readership of the papers that qualified to give
8 number -- give notice now, and is charging two times,
9 four times, or more what we're charging, that the fact
10 that we're embraced by the community, the local
11 governments in those communities who live and breathe
12 in those communities, have businesses advertised with
13 us know that, wow, these are where we would like to --
14 we would like to use these print products that have
15 been around there forever because everyone reads them.
16 And we're saying, well, no, we just -- just because
17 you guys aren't paid, because people only read what
18 they -- only read what they pay for, which is really
19 the funding premise of Title 45's last revision in
20 1976, makes no sense to us.

21 And the concerns about, my goodness, the
22 dieing newspapers, I can go on for the next -- I can
23 go for 12 hours or more on how so many of these
24 different things brought -- they brought that on
25 themselves, starting with the whole category of

1 classifieds, where Craig's list is eating their lunch,
2 especially because they were price gouging for so
3 long. They took for granted in a lot of cases their
4 commercial and their regular advertisers charging
5 incredible rates for what they had, where our papers
6 still have those classified and because we didn't lose
7 them to Craig's list, because we were charging a fair
8 price for a fair service, and that service worked.

9 And this is just the -- to reiterate, the
10 classified sections are exactly where these ads go.
11 They're not going next to the news portion of it. I
12 mean, they are in the classified section. And if you
13 look at a paper, a daily paper or a weekly paper with
14 an anemic looking classifieds section, that only
15 has -- it's a small paid weekly, it has only
16 government ads in it but it doesn't have a yard sale
17 ad, it doesn't have houses for sale, it doesn't have
18 contract, it doesn't have services offered by the
19 community, you can tell the community itself is not
20 embracing that paper and using it to communicate.

21 Our papers are -- you can look at them
22 visibly, all of the -- you look at a healthy
23 classified section, you will see that there is a lot
24 of exchange of ideas, information going on there, and
25 we're saying we should at least be an option.

1 And the death -- as far as the death of
2 newspapers and what money is going to actually erode
3 from them by way of competition, first thing, they
4 have an option to actually charge a fair price for a
5 fair service. But, B, if you want to go that route do
6 what Washington state just did and give them a tax
7 break. But make -- if you want to subsidize
8 newspapers, subsidize them directly and not using
9 advertising, which also then subsidizes them to the
10 disadvantage of another group of papers, which is us.
11 I'm sorry that was a long-winded answer. I probably
12 got off point.

13 MAJORITY CHAIRMAN CALTAGIRONE: Wanted to
14 get it on the record. Chairman Marsico.

15 MINORITY CHAIRMAN MARSICO: Thank you,
16 Mr. Chairman. In your Exhibit A and B --

17 MR. HAIGH: Sure.

18 MINORITY CHAIRMAN MARSICO: -- Exhibit A,
19 you have audited circulation which says that, for
20 example, Representative Grell's district, *Camp Hill*
21 *Shopper*, 14,153, audited circulation, and then the
22 *Patriot News* right below, just comparison you have,
23 5,822. What does audited circulation, what does that
24 mean? Audited, what's that mean?

25 MR. HAIGH: Those -- I'll answer briefly and

1 that's your Camp Hill. That audited circulation is
2 circulation which has been independently verified by a
3 third party. It's something that's not required under
4 current law. Under Title 45 right now, you can just
5 stick a price tag on a paper and go about doing this
6 for the most part because there is no audit -- there
7 is no overseer on the state level and there is no
8 requirement of X amount of circulation.

9 So we would state right now Title 45 says
10 that you should be eligible, are entitled to be
11 entered or not have been denied entry into second
12 class mails, which is now periodicals mails, but since
13 you don't have to be actually entered, there is no
14 oversight into any circulation claims under state law.

15 So bringing into this, this is audited
16 circulation from, say, the *Patriot News*, their
17 circulation is audited by ABC, an established auditing
18 firm that looks at the print runs, that looks at
19 subscriptions, that looks at the places that the
20 papers are going and verifies that they're doing what
21 they're doing. *Camp Hill Shopper's* audited by
22 Circulation Verification Council. They're a separate
23 established auditing firm that basically goes in like
24 a proctologist and makes sure that everything is what
25 it appears to be. Since yours is the *Camp Hill*

1 *Shopper*, I might like to have you.

2 MR. HEMPERLY: Sure. The 14,000 count you
3 see there for *Camp Hill Shopper* would be verified by
4 the CVC auditors when we enter those papers into the
5 mail stream. Our papers in that particular area are
6 delivered by the post office so they would verify that
7 we are, in fact, circulating 14,153 papers and the
8 5,822 for the *Patriot News* would be the comparable
9 papers they are distributing in those same zip codes
10 that the *Camp Hill Shopper* goes to, correct.

11 MINORITY CHAIRMAN MARSICO: Okay. Thank
12 you.

13 MR. HAIGH: And to follow up the distinction
14 that you see in price, this sample ad, just to walk
15 through the complete, you would for this one column
16 buy four-inch ad or 46 lines of set type, which is how
17 this -- how all of this legal advertising is billed
18 out, that you would be able to -- this would be --
19 you'd be able to reach this, put this in the eyes of
20 14,153 Camp Hill residents for a cost of \$60.40 with
21 Paper A, or you could do -- you could reach 5,822 for
22 a cost of \$287.50 with Paper B. Paper B has a price
23 tag. Paper A is free. Paper A the best option and
24 only option under 677 is off the table because Paper A
25 doesn't have a price tag.

1 They can't -- Camp Hill, those who pay the
2 bills, those who are in charge of notifying the
3 community that they know well can't take up Engle
4 Publishing to get three times the circulation at
5 one-fifth -- basically one-fifth the price.

6 MINORITY CHAIRMAN MARSICO: Thank you,
7 Mr. Chair.

8 MAJORITY CHAIRMAN CALTAGIRONE: Deb, did you
9 have something you wanted to say? I'll let you have
10 the last word.

11 MS. MUSSELMAN: It's apple and oranges once
12 again, counts of press run verses purchases of papers
13 with the third party.

14 MR. HAIGH: I would actually have to. If
15 we're going to throw metaphors out here, probably
16 Golden Delicious versus Macintosh. And in a lot of
17 cases we have municipalities only have a choice
18 between, say, Diet Coke and, say, Diet Pepsi. When
19 you're -- when you're a thirsty person, you're
20 looking, you want to go into a convenience store, the
21 average person, you can have a range of different
22 beverages out there. Right now municipalities have
23 Diet Coke versus Pepsi. And when they're forced to
24 pay and especially in the areas of -- now 18, 19, 21
25 Journal Register papers just close, now you only have

1 Diet Pepsi and you have it for \$20 a gallon, and
2 you're also going to get whacked \$20 for an affidavit
3 to say that you actually bought that at \$20 a gallon.

4 And this is -- that was -- okay.

5 MAJORITY CHAIRMAN CALTAGIRONE: Do you want
6 a closing comment?

7 MR. HEMPERLY: May I, just to address this
8 comment here, I agree not all 14,000 papers of mine
9 that are sent to Camp Hill are read. I know that.
10 But when we look at our readership study, which is a
11 sampling of readers through our distribution area, we
12 find that 75 percent of those folks receiving the
13 paper do, in fact, someone in that household is
14 picking up looking at our papers. And that math that
15 we had over 10,000 households, I'm thinking that
16 everyone that buys a paper reads it, so compared to
17 the 5,800, it's not quite twice, but it is a
18 substantial increase.

19 MR. HAIGH: If I can add one more thing onto
20 that, too, since we're talking about legal advertising
21 and trying to truly get the notice out to the public,
22 these are being placed, especially if it's in a daily
23 paper, seven days -- any of seven given days of the
24 week. So we're also looking at, okay, do I
25 regularly -- do I -- one of the few people or the

1 growing number who don't subscribe, but if I do, am I
2 actually looking at it on Tuesday? Am I looking at it
3 on Thursday? Am I looking at it on Saturday? A
4 weekly versus a daily, you also have to factor in the
5 dilution of which of seven days of the *Treasure Hunt*
6 is that going to happen.

7 MAJORITY CHAIRMAN CALTAGIRONE: You had the
8 last word, meeting adjourned. Thank you all very
9 much.

10 (Proceedings concluded at 12:08 p.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.

Heather L. Artz, RMR, CRR
Notary Public