



**PENNSYLVANIA
NEWSPAPER
ASSOCIATION**

Introduction

Good morning, Chairman Caltagirone, Chairman Marsico, and members of the Judiciary Committee. My name is Ralph Martin, and I am the Vice-Chairman of the Pennsylvania Newspaper Association. I am also President and CEO of Trib Total Media, the company that owns and publishes *The Tribune-Review* in Pittsburgh and Greensburg, 5 daily newspapers, 17 weeklies, 1 pennysaver, and 4 magazines in the Pittsburgh area. We also own 28 websites relating to these publications.

The Tribune-Review's combined average circulation is 180,000 daily and 240,000 Sunday. Our Web sites have 13 million page views every month, with 1.8 million unique visitors a month.

Our company's weekly newspapers are a mix of paid and free publications that provide hyper-local coverage for the communities they serve. Our pennysaver is circulated through the U.S. mail to 780,000 homes every week and has a gross advertising base of 28 million dollars a year. Despite the fact that our company's business model includes free publications and the pennysaver, I am convinced that these publications are not the right vehicle for public notices.

Like Mr. Till, I am here today to talk about the importance of public notices, why bills that would put public notices in shoppers or on government-run websites would be bad for Pennsylvania citizens and government, and to urge you oppose HB677 and the related bills.

-Public notices must remain in newspapers of general circulation.

-Newspapers are where people turn for public notices; shoppers are not necessarily reaching the people who need the notices.

- Newspapers, which contain editorial content, including coverage of local government actions and meetings, are where the public turns for public notices. This is true whether the reader turns to the print publication or reads it on the newspaper's website. The fact that newspapers report on the government events found in public notices is critical to the public's understanding of the notices and issues they raise. Shoppers generally lack editorial or news content, which denies the public of important information related to the events or actions set forth in public notices.

- Most free-distribution publications are NOT delivered to businesses. If a business owner wants to bid on a local school construction project, he's out of luck – shoppers are delivered where you live. Statistically speaking, most business owners and their staff are unlikely to live in the same zip code where they work.

- **Any purported “cost-savings” is false. Moving public notices on to the Internet would actually cost taxpayers. Moving them to shoppers would bring minimal cost-saving at best, at great public cost.**

- We have been told that these and similar bills have been introduced to: 1) save government money; and 2) bring public notices into the 21st century.
 - **Public notices are already online.** As Mr. Till has testified, Pennsylvania newspapers have already funded and now participate in, a robust, searchable database for online public notices at www.mypublicnotices.com. Public notices are already in the 21st century, at no additional cost to government.

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

- **We understand that local governments are looking at many ways to save money, but believe that the damage to access and transparency under House Bill 677 far outweighs any hypothetical savings.**
 - **There would be significant costs to establish and run the proposed Internet-based program.** Ramping up agency websites would cost tens of thousands, or more, in development, maintenance, and security, far beyond the current amounts paid. The costs would dwarf the figures agencies now report as internet expenditures. Furthermore, an effort to build robust, searchable websites to provide web-based notice would result in significant new expenditures, which state government would likely be asked to fund.

 - **Costs of establishing the statewide website would be significant.** The PNA submitted a Right to Know request to ascertain the cost of establishing and operating the Department of State's Corporation Bureau database.
 - The Dept of State reported that it cost \$600,000 to start up;

- Average maintenance and operation costs were about \$60,000 annually, from 2003-2007, and about \$300,000 in 2008 due to upgrades.
 - The websites envisioned in SB 419 and HB 795 would also require a secure server, professional staff to maintain and manage, something to verify that the notice appeared online at the date and time required, and archiving.
 - DCED provided an estimate of \$250,000, along with concerns about spending this money; we believe that figure is low, given the DOS experience.
- **Costs to local and state government agencies, in establishing local websites would be great.** Significant costs would also be incurred by local governments in establishing their own "official Internet websites," as provided under the Bill. These costs, again, would be incurred by taxpayers.
- Pennysavers and shoppers may have lower rates now, but that is because those rates are based upon the uncertainty of verifiable readership.
- Newspapers are, of course, willing and interested in working with government agencies to provide and promote public notices in a cost effective way. But this cannot come at the expense of public access to and accountability in government, as proposed by these bills.
- **Newspaper rate issues.** The Newspaper Advertising Act includes basic language about rates, and we recognize that newspapers and legal journals charge different rates across the state. Public advertising is a public trust that we take very seriously.
- We recognize that almost four years have elapsed since the initial set of bid-limit bills that we negotiated passed the House, and we intend to withdraw our objections to the package of bills now before the Senate Appropriations and House Local Government Committee. This is subject, of course, to ongoing review of proposed changes or additions to these bills that have not been presented previously.
 - We have also posed no objection to the efforts of certain municipalities, such as the Borough of Middletown, that provide electricity to their residents, to control costs by purchasing power on the "spot market," which involves adding energy purchases to the list of contracts that do not require advertising requirements, bidding or price quotations.
 - Finally, we are for the first time proposing a revision to our state law, to add more formal rate language to ensure that public advertisers receive the best available commercial rate in their respective markets. We stand ready to work with you on specific language.

Conclusion

Both the Internet and the 'shoppers' proposals put government in charge of policing its own performance, in a way that is detrimental to both government and taxpayers.

Under Senate Bill 419 and House Bill 795, state government is charged with reaching into the private sector to take work away from hundreds of taxpaying businesses and employers, while House Bill 677 forces the diligent citizen into a daily search for the information he needs in order to monitor his local government. Both concepts fix what isn't broken. Newspaper publication, supplemented by www.MyPublicNotices.com, an Internet database, protects public access, and we ask you to oppose these bills.

Thank you for your attention and consideration. I am happy to answer any questions that you may have. I understand that a free paper association representative is testifying next, and I would invite the opportunity to respond to any issues or concerns raised by his testimony.