

1 PENNSYLVANIA HOUSE OF REPRESENTATIVES
2 LOCAL GOVERNMENT COMMITTEE
3 PUBLIC HEARING
4 House Bill 633

5 Thursday, May 19, 2011
6 11:04 a.m.
7 Room 140, Main Capitol Building

8 MAJORITY CHAIRMAN THOMAS C. CREIGHTON

9 MINORITY CHAIRMAN ROBERT FREEMAN

10

11 REPRESENTATIVE BRYAN CUTLER

12 REPRESENTATIVE GEORGE DUNBAR

13 REPRESENTATIVE FRANK A. FARRY

14 REPRESENTATIVE TIM HENNESSEY

15 REPRESENTATIVE DAVID S. HICKERNELL

16 REPRESENTATIVE JERRY KNOWLES

17 REPRESENTATIVE DAVID M. MALONEY, SR.

18 REPRESENTATIVE ROSEMARIE SWANGER

19 REPRESENTATIVE DAN TRUITT

20

21 Also Appearing:

22 DON GRELL, Majority Executive Director

23 JOHN FULTON, Minority Executive Director

24

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1 CHAIRMAN CREIGHTON: Seeing that the
2 time has arrived at 11 o'clock, the House Local
3 Government Committee will begin the public
4 hearing on House Bill 633.

5 I want to thank everybody for coming.
6 It seems like it's a rather popular hearing,
7 and we have a great turnout here. There'll be
8 a lot to learn I'm sure, and thank you for
9 being here.

10 I'd like to introduce the
11 representatives that are with us. We'll begin
12 with Jerry. Do you want to announce who you
13 are and where you're from?

14 REPRESENTATIVE KNOWLES: I'm
15 Representative Jerry Knowles. I'm from the
16 124th District, which is in a portion Berks and
17 Schuylkill counties.

18 REPRESENTATIVE HICKERNELL: Good
19 morning. Dave Hickernell, Lancaster and
20 Dauphin counties.

21 REPRESENTATIVE DUNBAR: Good morning.
22 George Dunbar, Westmoreland County, 56th
23 District.

24 REPRESENTATIVE MALONEY: Good
25 morning. Dave Maloney, 130th, Berks County.

1 REPRESENTATIVE TRUITT: Good morning.
2 I'm Dan Truitt from the 156th District in
3 Chester County.

4 REPRESENTATIVE CUTLER: Good morning.
5 Bryan Cutler, 100th District, Southern
6 Lancaster County.

7 CHAIRMAN CREIGHTON: And myself, Tom
8 Creighton, Northern Lancaster County, 37th
9 District.

10 We just had Frank Farry. Do you want
11 to introduce yourself?

12 REPRESENTATIVE FARRY: Yes, Frank
13 Farry, 142nd District, Bucks County.

14 CHAIRMAN CREIGHTON: Great. Thank
15 you.

16 I'd like to notice everybody that PCN
17 is recording. I believe there's some other
18 recording going on. So be aware that what you
19 say is being recorded.

20 I encourage everybody -- I just -- I
21 love it when you speak passionately and with a
22 lot of knowledge of your issue. Please try to
23 not read your testimony. Just use it as notes,
24 and maybe we can expedite the process here.

25 We've allowed two hours. First hour

1 is for the news, and the second hour is for the
2 local government.

3 I think what we'll -- if people
4 aren't here, we'll put them on the back and let
5 them take the position later in the session.
6 So we'll start with that.

7 Tim Hennessey?

8 REPRESENTATIVE HENNESSEY: Hi.

9 CHAIRMAN CREIGHTON: We've been
10 joined by Tim Hennessey.

11 Okay. We are in a revolution that's
12 been occurring in the last 10, 15 years. It's
13 called the Web.

14 And I personally have been Googlized.
15 When I get on Google, I hit in a couple key
16 words. If I don't like what I get, I change
17 the words I use. So I like the searchability
18 of the Internet. I like the ability to get
19 information quickly and to get it verified that
20 it's true. You can check back and forth.

21 So we're in that revolution. We're
22 seeing this revolution hitting newspapers,
23 legal advertising, and local government. And
24 so that's what this hearing's all about is to
25 bring all the facts to the table, and we just

1 appreciate you being there.

2 I'd like to turn now over to Bob for
3 comments.

4 CHAIRMAN FREEMAN: Thank you,
5 Mr. Chairman. First and foremost, I want to
6 thank the Chairman for his willingness to hold
7 today's hearing. We had requested it, and I
8 appreciate his willingness to allow this public
9 forum.

10 Obviously this legislation would mark
11 a significant departure from the way in which
12 public notices are dealt with here in the
13 Commonwealth of Pennsylvania, and so it is
14 critical. It's very important for us to hear
15 testimony on all sides of this issue, to hear
16 from the stakeholders and those who will be
17 affected, and to get a better handle on the
18 implications of such legislation.

19 I'm looking forward to the testimony
20 today from all the interested parties and hope
21 that it will be enlightening to the members of
22 this committee, but, again, my thanks
23 specifically to the Chairman for his
24 willingness to allow for this kind of forum.

25 This is how the legislative process

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1 should work, where we examine issues in detail,
2 and I appreciate, particularly since he's the
3 prime sponsor, his willingness to allow this
4 kind of setting for this discussion.

5 Thank you.

6 CHAIRMAN CREIGHTON: I'd like to call
7 the first three presenters -- Teri Henning,
8 Ernest Schreiber, and Martin Till -- to come to
9 the table here in front.

10 What we'll do is we'll have the three
11 presentations of testimony and then open it for
12 discussion.

13 MS. HENNING: Would it be possible to
14 change our order slightly?

15 CHAIRMAN CREIGHTON: Sure.

16 MS. HENNING: Okay. We're expecting
17 another speaker. He did submit written
18 comments, so he'll go at the end if he arrives
19 in time. His name is Jack Williams.

20 And I guess this is -- I'll start.

21 Okay.

22 Good morning. My name's Teri
23 Henning, and I'm the president of the
24 Pennsylvania Newspaper Association.

25 Chairman Creighton, Chairman Freeman,

1 and other members of the Local Government
2 Committee, thank you for allowing us to speak
3 this morning on House Bill 633.

4 If possible, we were hoping to ask if
5 you could hold comments until all five of our
6 speakers have spoken, only because a number of
7 them have traveled quite a distance to be here
8 this morning, but we understand if that's not
9 possible given the fact we're only up here
10 three at a time.

11 Martin and Ernie will certainly sit,
12 and I can exit the table if that makes that
13 easier to accomplish.

14 CHAIRMAN CREIGHTON: So you need two
15 more chairs?

16 MS. HENNING: We will need two more
17 but we --

18 CHAIRMAN CREIGHTON: Which we have.
19 So why don't we ask them also, if that's the
20 way you'd like to do it

21 MS. HENNING: Mr. Bower, can you join
22 us at the table and, Mr. Oravec? That'd be
23 great. Thank you.

24 CHAIRMAN CREIGHTON: Local
25 government's very informal.

1 MS. HENNING: I appreciate that.

2 Thank you.

3 The newspaper association and its
4 members oppose House Bill 633 for a number of
5 reasons, including that it will result in
6 significant costs to government, taxpayers, and
7 citizens. These costs include the financial
8 burden of upgrading, maintaining, and staffing
9 Web sites across the commonwealth in addition
10 to the costs associated with less transparency
11 in government.

12 These could include less competitive
13 bidding, public anger when controversial
14 measures are passed without adequate public
15 notice, the lack of Internet access by many
16 Pennsylvanians, the difficulty of finding
17 notices that could be spread across thousands
18 of Web sites and more.

19 Sitting with me today are Martin
20 Till, president of PennJersey Advance and
21 publisher of The Express-Times in Easton; Ernie
22 Schreiber, editor of the Lancaster New Era and
23 LancasterOnline.com; Don Bower, a Berwick
24 business owner; and Bernie Oravec, publisher of
25 The Williamsport Sun-Gazette.

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1 In the audience there are
2 approximately 60 additional representatives
3 from Pennsylvania newspapers, including
4 personnel from The Patriot-News here in
5 Harrisburg, El Hispano, The Philadelphia
6 Tribune, The Herald Standard, The
7 Observer-Reporter, The Indiana Gazette, The
8 Pocono Record, Bucks County Courier Times, The
9 Intelligencer, Times Herald of Norristown, The
10 Pottsville Republican, The Delaware County
11 Daily & Sunday Times, The Mercury, Lancaster
12 Newspapers, The Express-Times in Easton, The
13 Press Enterprise in Bloomsburg, and The
14 Pittsburgh Post-Gazette.

15 Newspapers in Pennsylvania remain
16 strong, vital parts of their communities. Of
17 the approximately 1400 newspapers in the
18 country, 79 daily newspapers are in
19 Pennsylvania. More significantly, of the
20 200-plus, family-owned newspapers in the
21 country, 50 are from Pennsylvania, more from
22 any other state in the country.

23 The families that own Lancaster
24 Newspapers purchased by the Steinmans in 1866,
25 Calkins Media purchased by the Calkins in 1937,

1 the Observer-Reporter Publishing Company
2 purchased by the Stewart family in 1902, and
3 many more have had roots in their communities
4 for generations, contributing significantly to
5 the local economy, the dissemination of news,
6 the public discourse, and the Commonwealth of
7 Pennsylvania. They are a significant source of
8 news and information in their communities.
9 They are also employers, taxpayers, community
10 leaders, and citizens.

11 Readership remains strong among
12 Pennsylvania newspapers. Recent research shows
13 that approximately 83 percent of Pennsylvania
14 adults have read a newspaper in the last week.
15 Chances are, if you're reading a news item on a
16 Web site, it originated with the newspaper.

17 In contrast -- and other panelists
18 will speak in more detail to this issue --
19 significant percentages of Pennsylvanians are
20 not using Internet, including more than half of
21 our senior citizens.

22 These bills would allow local
23 government to put public notices on individual
24 Web sites which could mean that notices are
25 spread across more than 4,000 Web sites.

1 Newspapers have long held an
2 important role in the public notice process.
3 They provide government agencies, business
4 owners, and taxpayers an easy, inexpensive,
5 legally verifiable way to publish and receive
6 notice of government plans and activities.
7 Pennsylvania newspapers have already created
8 and continue to support a statewide searchable
9 database for public notices at
10 mypublicnotices.com.

11 Before I introduce our first speaker,
12 I want to emphasize that this is not just a
13 newspaper issue. It is also a public issue.
14 Organizations, including the League of Women
15 Voters, The AARP, the Kitchen Table Patriots,
16 PennFuture, the Teamsters, and the Sierra Club,
17 have joined the Pennsylvania Newspaper
18 Association in opposing this bill.

19 Thank you for your time this morning,
20 and we are happy to take any questions.

21 CHAIRMAN CREIGHTON: Thank you, Teri,
22 and we'll move to Ernest, Ernie.

23 MS. HENNING: Can we start with
24 Martin Till, please?

25 CHAIRMAN CREIGHTON: Oh, sure.

1 MR. TILL: Good morning, Chairman
2 Creighton, Chairman Freeman, and members of the
3 Local Government Committee.

4 My name is Martin Till. I'm the CEO
5 of the Lehigh Valley Media Group. I'm also
6 president of PennJersey Advance, which is a
7 group of 4 daily newspapers, 14 weekly
8 newspapers, and Web sites: lehighvalleylive.com
9 and we're also associated with pennlive.com.

10 I am a current member and former
11 chairman of the Pennsylvania Newspaper
12 Association's government affairs committee, and
13 I'm also on the association board of directors.

14 The Express-Times is a 45,000
15 circulation daily newspaper in the Lehigh
16 Valley. We publish three editions. We do a
17 Bethlehem edition, an Easton area edition, and
18 a New Jersey edition. We also publish in
19 Warren and Hunterdon counties in New Jersey.

20 Our company also produces two free
21 publications -- The Us, which is a 20,000
22 circulation, carrier-delivered-to-the-home
23 publication, and Mainstreet Marketplace, which
24 is a 45,000 circulation also delivered to the
25 home -- and we also have two specialty products

1 called Exposed and Homesource.

2 We are obviously very concerned about
3 this bill on a number of reasons, the bill
4 being House Bill 633, and the main thing is
5 people need to know what's going on in their
6 communities.

7 And I agree with you, Chairman
8 Creighton, there is a revolution going on, and
9 we're very happy to be part of it. If you look
10 at my newspaper, ten years ago I had a Web site
11 and I may have had 200 people on it. This
12 month I'll have over 800,000 unique users on my
13 Web site, and that includes a daily newspaper
14 that in the last five years I think has lost 3
15 percent of our circulation. So as Mark Twain
16 said, the story of our death is greatly
17 exaggerated.

18 And so we have a robust Web presence
19 that we work very hard on and we value very
20 much, and the reality is if you take our print
21 and online audience together, newspapers and
22 most media companies -- and if you look at the
23 name of my company, it's no longer a newspaper
24 company. It is a media company -- we have
25 never had a larger audience than we have and

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1 enjoy today.

2 One of the problems with this bill we
3 believe is that citizens need to know what's
4 going on in their community. We as recently as
5 two weeks ago had a story that the Delaware
6 Joint Toll Bridge Commission had a meeting that
7 was not published to the public, had an agenda
8 that did not have all the items on it, and they
9 were nice enough to pass a toll increase for
10 all users of their bridges, and nobody knew
11 about it, nobody had the chance to interact
12 with it.

13 And we ran numerous stories over the
14 last few weeks about businesses in Pennsylvania
15 saying they're going to have to relocate
16 because they can't -- trucking companies, which
17 obviously in our part of the world in Lehigh
18 Valley with I-80 and 78 and 33 is big
19 business -- they can't afford the toll
20 increases. Our community never had an
21 opportunity to be engaged in that discussion,
22 and I believe strongly that if this bill
23 passes, that will happen more than it does
24 today.

25 House Bill 633 and Senate Bill 803,

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1 804, and 805 would allow government entities to
2 run all of their notices on government-run Web
3 sites, and whether that's one Web site, county
4 Web site, or individual Web sites, all of them
5 have significant problems with it.

6 Right now, no other state in the
7 country has done what this bill proposes to do,
8 and no court has ruled on the legal sufficiency
9 of the notice proposal by this bill.

10 One of my biggest concerns with this
11 is, A, you go to people having access to it.
12 Again, over 50 percent of the senior citizens
13 today do not -- and, again, do not -- have
14 access to the Web. If you take minorities and
15 people with low incomes, those numbers again
16 are significant numbers. This myth that
17 everybody has access is just not true.

18 You talked about, you know, the
19 people going to the Web, and it's true. When I
20 Google myself, there's a horrible picture of
21 myself on there, so I try not to, and this man
22 here's responsible for it.

23 But, anyway, you know, the problem
24 with it is if people want legal notices in our
25 market, they can go to the two places. They

1 can go to The Express-Times and see them today.
2 We have a copy today. You can see the legal
3 notices in there, or they can go to
4 mypublicnotices.com, which, by the way, we
5 provide our legal advertising to that Web site
6 free of charge to all the municipalities.
7 There's no cost to the municipalities to be on
8 that Web site, and it's a single searchable
9 database.

10 What we're trying to do is already
11 being done, and the argument is that it's going
12 to save costs.

13 And I just wanted to share with you
14 some of the numbers of my newspaper itself. If
15 you look at our -- if you get a number for
16 Northampton County for legal advertising,
17 you'll get a significant number that will make
18 your hair stand up. The reality is that 95
19 percent of that number, the county does not
20 pay. 95 percent of that number is sheriff
21 sales against pass-through. It's just simply a
22 pass-along rate. It does not get paid by the
23 county.

24 And the reality is our county has a
25 budget of \$298 million, almost \$300 million,

1 and the county spends in real money \$44,600 on
2 legal advertising in my newspaper.

3 I had last year, 2010, 95 different
4 municipalities running with my newspaper. The
5 average -- and that includes the 44,000 that we
6 got for Northampton County. The average for
7 those 95 is \$2,800 in average spend per year in
8 the year 2010 with my newspaper. Of the 95, 40
9 of those customers spent less than a thousand
10 dollars. Again, 40 of those customers, 40 of
11 the 95, spent less than a thousand dollars on
12 legal notice advertising in my newspaper.

13 There is no way possible, whether you
14 do it at a state level, county level, or local
15 municipal level, that anybody can put up a Web
16 site, maintain it, have redundancy backup, have
17 time stamping, have all the things you need to
18 be an efficient Web site for less than a
19 thousand dollars a year. You can't even do it
20 for less than a thousand dollars a month.

21 We had a company called Newspaper
22 Support Services run the numbers for us by
23 taking out bids and said if you wanted to have
24 a Web site that could do this -- and, again, we
25 didn't go crazy. We said that the technology

1 will need to have a Web site to house legal
2 advertising for a county or a municipality --
3 the cost was a minimum of a thousand dollars a
4 month just to have the hosting fees for it and
5 at a county level, a \$30,000-a-month level.
6 Again, it's not cheap.

7 In my market, Easton Area School
8 District, which is the largest school district
9 in my market, which has \$141 million budget,
10 spent \$4,000 with me on public notices, 4,000,
11 on a budget of \$141 million.

12 Again, the numbers that are thrown
13 out there are just -- they don't work. There's
14 no way that the Easton Area School District can
15 maintain a Web site.

16 And, again, remember, this is public
17 notices. So if I'm a citizen and I wasn't
18 aware of something, I'm going to go to that
19 school district, that municipality, and say I
20 didn't know about this. Time stamp it for me.
21 You got to have somebody to do that. You've
22 got to have the system to time stamp. You
23 can't say, well, I'm sorry, the systems were
24 down yesterday. That's why you missed your
25 vendor, couldn't go on and find out about a

1 bill or find out about a proposal to bid on.

2 The systems have to have redundancy,
3 no matter what the size. It can't go down.
4 It's like our Web sites today. We have
5 off-site redundancy.

6 So the myth again that this can be
7 done inexpensively, it's free is simply not
8 true, and the myth that municipalities are
9 spending tens of thousands of dollars with us
10 is simply not true.

11 The Easton Area School District in
12 this latest contract with the teachers union,
13 the average teacher's salary I believe is
14 almost a \$20,000 increase per teacher this
15 year, and I think they have about 900 teachers,
16 and we're sitting here today talking about a
17 \$4,000 issue for a \$141,000 budget. It doesn't
18 make sense to me.

19 Again, the other thing we are very
20 concerned about is how people know what's going
21 on in their community. Everybody needs -- and,
22 Chairman Freeman, I agree with you. I think
23 this is a great discussion. I think it needs
24 to happen. People need to be informed.
25 Everybody today is worried about dollars,

1 whether you're in government or you're in
2 private world. We're the same way.

3 If this bill passes, in my own
4 newspaper, The Express-Times in Lehigh Valley,
5 Pennsylvania, I will be laying off 20 people
6 the next day. Okay?

7 We estimate -- and I would argue it's
8 a conservative estimate -- in the state of
9 Pennsylvania if this passes, this bill will
10 cost over a thousand jobs, newspaper jobs, in
11 this state. If that happens, the State
12 Unemployment Compensation Fund is going to be
13 on the hook for over a million dollars a month
14 just for the thousand people that are out of a
15 job, and they're not going to be -- the reality
16 is this is not just legal clerks to get out of
17 a job. These are reporters. My editor
18 produced my photo on Google. It will be my
19 editor. It will be other people. All right?
20 It's real jobs. It's real people. And, again,
21 we're talking about a thousand jobs.

22 We're trying to reinvent a process
23 and a system that's already in place. It's
24 already there. If you want to go online today,
25 mypublicnotices.com, we have over 100 papers in

1 the state of Pennsylvania putting all of our
2 legal notices on that Web site for free.

3 You're not going to be able to save
4 money. It is a myth. There's no way. It's
5 impossible. You will not save money.

6 You will cost local municipalities,
7 local government, and state government
8 significantly more, millions more, if you do
9 this, and you'll put a thousand people out of
10 work to do something that's already being done
11 and I would argue being done very well.

12 On the legal notices in print, most
13 of the -- I've been around -- well, I
14 shouldn't -- my newspaper's been around for 156
15 years. We've done it pretty well. Our Web
16 site's been around over 15 years. We do it
17 pretty well.

18 And, again, the myth that newspapers
19 are dying, you can't do that. You have to put
20 the audience together. You know, print and
21 online combined, my newspaper today has never
22 had a larger audience in the history of our
23 company.

24 Thank you very much. I'd be happy to
25 take any questions.

1 CHAIRMAN CREIGHTON: Let's move on to
2 Ernie and -- is that okay?

3 CHAIRMAN FREEMAN: That's fine.

4 MR. SCHREIBER: Good afternoon,
5 Chairman Creighton, Chairman Freeman, Bryan,
6 David, other members of the committee. It's --
7 really appreciate the opportunity to talk to
8 you.

9 I'm Ernest Schreiber, editor of the
10 Lancaster New Era, editor of LancasterOnline.
11 I'm a founding member of the Pennsylvania
12 Freedom of Information Coalition and past
13 president of the Society of Newspaper Editors
14 in Pennsylvania.

15 I want to talk to you today in
16 slightly different terms from the others that
17 you'll hear. I am a representative of the
18 newspaper industry, but I'm also -- and the
19 role that I'm really going to be taking in this
20 is editor of a conservative Republican
21 newspaper on its editorial page. We're a dying
22 but far-from-extinct breed in central
23 Pennsylvania, certainly in Lancaster County,
24 and I think that the principles that
25 republicanism espouse are very germane to the

1 bill under consideration today.

2 I want to make clear I'm not speaking
3 in an overtly partisan way. I appreciate and
4 respect Democratic points of view, but I really
5 do believe that the Republican Party reflects
6 the principles of many people in Pennsylvania,
7 the principles that many of you campaigned on,
8 and I'd like to sort of review them today.

9 It's my long-held opinion that
10 Republicans best champion the individual and
11 private enterprise. Republicans most oppose
12 the expansion of government and government
13 enterprise. They best understand that life,
14 liberty, and the pursuit of happiness are
15 fostered by encouraging private initiative, not
16 government bureaucracies, and as I said, it was
17 that principle that propelled the Republican
18 victories in 2010. The Tea Party Movement, the
19 Republican victories were people crying out for
20 limited government, limited spending.

21 When Pennsylvanians elected a
22 Republican House, a Republican Senate, and a
23 Republican governor, I felt that I was
24 optimistic that our overtaxed, overregulated,
25 overgoverned state would be set on a new course

1 that would encourage individual achievement and
2 private enterprise, and it would restrain
3 government growth and spending.

4 And I was encouraged in that because
5 while Democrats have the image of being the
6 friends of the press and Republicans the
7 opponents oftentimes, in fact, my experience
8 has been that the best friends that the press
9 have had in Pennsylvania in recent years have
10 been Republicans.

11 Tom Ridge started the movement group
12 in government which passed on through several
13 administrations, and Senator Dominic Pileggi
14 was instrumental in building the bipartisan
15 coalition which led to the Open Records Law,
16 and while that law is about a different topic,
17 at its heart it is about empowering
18 individuals, expanding their rights, and
19 limiting the power of bureaucracies and
20 government.

21 My hope that the principles that
22 Republicans campaigned on in regards to
23 individual and private enterprise would
24 continue in this current session have been
25 dampened by this committee's consideration of

1 this bill. I think you're responding to
2 pressure by local municipalities and school
3 boards, and it's certainly fair that you do
4 that, but I think you should recognize that
5 what they are trying to do is expand their
6 payrolls, expand their power at the expense of
7 the newspaper industry, one of the state's
8 major industries.

9 If House Bill 633 and others of this
10 nature pass, they will seriously undermine the
11 independent, privately owned newspapers of this
12 state and transfer their business to
13 government. Private enterprise would no longer
14 employ people to prepare, as you just heard, to
15 prepare and publish public notices. Government
16 would employ people to do that. The work would
17 be shifted from private payrolls to public
18 payrolls.

19 At the same time, the credibility
20 that publication in independently owned
21 newspapers has given to public notices would
22 vanish. Local governments and schools could
23 public legal notices on their own, no
24 oversight. Local government would essentially
25 be its own watchdog.

1 What this legislation does is
2 increase the work of government, increase
3 government spending, and increase government
4 power. If you think that's a great idea,
5 compare Amtrak and Conrail, compare the US
6 Postal Service and Fed Ex. Government never
7 touches the business of private enterprise and
8 makes it more efficient.

9 What this bill does is cut newspaper
10 industry revenue, cut jobs, and end our
11 newspapers -- end our watchdog function. It
12 also enables the possibility of corruption on
13 local government levels. Insider bidding will
14 be possible. Buddy-system hirings will be
15 possible. Unexamined rezonings will be
16 possible because the public simply won't know
17 that those jobs or those rezonings or those
18 contracts are available.

19 This bill would transform a system of
20 public notices in which large, well-established
21 publications inform hundreds of thousands of
22 people -- in our county, well over 300,000
23 people -- to a system in which citizens must
24 scour dozens and dozens of tiny, little Web
25 sites hunting out who has bids today, who has a

1 job opening, is there rezoning in my community
2 or one of the communities I drive through.

3 In our county, there's 60 townships
4 and boroughs. There's 17 school districts.
5 There's a dozen municipal authorities. Who in
6 their right mind can search all of those and
7 find the legal notices that any one of them
8 might place on any one day?

9 Municipal officials and school board
10 members who believe in limited government
11 should be embarrassed to ask for this extension
12 of their power. This committee, particularly
13 those who have campaigned so fervently on the
14 principle of limited government, should disown
15 it.

16 This measure is not worthy of
17 consideration by any believer in open
18 government, Republican or Democrat, and I
19 respectfully urge you to abandon it.

20 And, again, I'll be willing to take
21 any questions. Speaker, I'm usually asking you
22 questions. You find it in the reverse.

23 MS. HENNING: Mr. Bower?

24 MR. BOWER: Chairman Creighton,
25 Chairman Freeman, members of the Local

1 Government Committee, good morning.

2 My name is Don Bower. I'm president
3 of Donny Bower, Incorporated, an excavating and
4 asphalt-paving firm in Columbia County,
5 specifically Berwick, northeastern
6 Pennsylvania.

7 I'm here before you today as both a
8 businessman and a taxpaying citizen of the
9 commonwealth, representing both my profession
10 and other taxpayers.

11 Please understand that I'm not here
12 before you as an advocate for print media,
13 school districts, political subdivisions, or
14 any governmental agencies. My purpose for
15 being here today is to explain why I believe
16 the implementation of the Department of
17 Education's Mandate Waiver Program, permitting
18 the advertising and solicitation via official
19 Internet Web sites in lieu of publicly
20 circulated print media, is not beneficial to
21 the Pennsylvania businesses or taxpayers.

22 I'm aware that several school
23 districts within Columbia County have been
24 granted Mandate Waiver from the Department of
25 Education, permitting the advertising and

1 solicitation of, among other things,
2 procurement of contracts, ranging from supplies
3 to capital improvement projects as well as
4 other school district business matters. Most
5 notably is the Berwick Area School District
6 from which I graduated from, having performed
7 work for in the past, and pay taxes to as an
8 individual and a businessman.

9 In September and October of 2010, the
10 school district, in accordance with their
11 approved Mandate Waiver, advised and solicited
12 a public works improvement project, centered on
13 the construction of a new athletic complex
14 located on the property at the school district.
15 No local contractors within the immediate
16 vicinity secured bidding documents nor
17 submitted a proposal for the project from -- as
18 a prime contractor standpoint, rather the
19 school district received proposals from
20 contracting firms from out of the area and from
21 states such as New York and Maryland.

22 It was not until approximately a week
23 before the proposal due date that my staff was
24 made aware of the project based on the
25 solicitations from the out-of-state firms. One

1 may ask as to why no local contractor submitted
2 a proposal to perform the work for the school
3 district. My only answer is, like my firm,
4 they were not aware of the project as well as
5 another project undertaken by the school
6 district in the summer of 2010.

7 The above circumstance concerns me,
8 not only as a businessman, but as a taxpayer
9 and a resident of the school district. Prior
10 to the district's implementation of soliciting
11 public works contracts via electronic methods,
12 the school district would advertise the
13 projects in local media print outlets as well
14 as trade publications similar to the
15 Pennsylvania Construction News, the Dodge
16 Reports, and the Harrisburg Builders Exchange
17 to name a few. Utilizing these methods, the
18 school district regularly entertained proposals
19 from a minimum of 10 to 15 contractors from a
20 broad region, both in- and out-of-state firms.
21 Now the school district admittedly has seen bid
22 responses significantly dwindle from previously
23 advertised projects.

24 Regarding the project mentioned
25 herein, the nearest local firm securing bidding

1 documents was from Pikes Creek in Luzerne
2 County. There were two other Pennsylvania
3 contractors securing bid documents, with the
4 balance being out-of-state firms. The reality
5 is that those firms securing bidding documents,
6 those firms actually submitting proposals for
7 the project, were all out-of-state contractors.

8 When I approached the school district
9 concerning this, they acknowledged publicly
10 that public notification should have been made
11 and would consider this in the future.

12 As you are all aware, this
13 commonwealth and the country for that matter is
14 embroiled in economic turmoil. The
15 unemployment rate is significantly high.
16 Foreclosures of homesteads and farms are still
17 pending at a rapid rate. Individuals and
18 businesses are seeking bankruptcy protection,
19 and governments are forced to cut public
20 services so that budgets can be balanced
21 without creating additional financial burdens
22 to the taxpayers.

23 In my opinion had this project been
24 advertised in print media, the school district
25 would have undoubtedly received a higher

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1 response, including those from local
2 contractors. The increase in response would
3 have resulted in more competitive bid
4 proposals, saving the school district and the
5 taxpayers in my estimation upwards of 10
6 percent, which could have been earmarked for
7 other necessary capital improvements.

8 Furthermore, had the project been
9 awarded to a local contractor, taxpayer moneys
10 would have ensured opportunities for local
11 workers, with these moneys remaining locally
12 rather than being exported to out-of-state
13 firms.

14 Throughout my 38 years in the
15 contracting business, I've relied upon print
16 media, trade periodicals, and so forth for the
17 solicitation and procurement of public works
18 projects, sustaining my business in this
19 manner. However, as technology has exploded
20 over the past 10, 15 years, solicitation via
21 the Internet was inevitable, leaving businesses
22 to become more advanced or face being left
23 behind.

24 The point of my appearance here today
25 is to question the validity of the advertising

1 solely upon the Internet rather than print
2 media. Are those entities that are advertising
3 solicitations, procuring public contracts
4 electronically truly practicing fiduciary
5 responsibility to the taxpayer citizenry?

6 Finally, do the ends justify the
7 means?

8 Thank you. If you have any
9 questions, I'd be glad to answer them.

10 CHAIRMAN CREIGHTON: Thank you, Don.

11 We'll move on to Bernard.

12 MR. ORAVEC: Bernie's fine. Bernie's
13 good.

14 CHAIRMAN CREIGHTON: Bernie.

15 MR. ORAVEC: Yes.

16 CHAIRMAN CREIGHTON: Okay.

17 MR. ORAVEC: Thank you.

18 And, first, I just want to thank Don
19 for joining us. I mean, he is a private
20 citizen, a real-life Pennsylvania businessman.
21 This type of bill affects his ability to make a
22 living. So we really appreciate him coming
23 here with all us media types and speaking out
24 for what he believes in. So thank you. Thank
25 you for joining us.

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1 My name is Bernie Oravec, and I'm
2 publisher of The Williamsport Sun-Gazette, a
3 daily newspaper located in Lycoming County,
4 Pennsylvania. We were founded in 1801, and
5 this month, May of '11, we'll be celebrating
6 our 210th anniversary. God knows, we probably
7 editorialized against Thomas Jefferson in the
8 day. So we've been around the block a while.

9 Williamsport, as you all know, is the
10 home of the Little League World Series and
11 currently is the center of the current
12 Marcellus Shale gas drilling boom in
13 Pennsylvania. I'm going to talk to you a
14 little bit about that during my testimony.

15 Personally I've worked for over 20
16 years in the newspaper industry after
17 graduating from Penn State University. I have
18 experience with the Somerset Daily American,
19 Centre Daily Times in State College, Lewistown
20 Sentinel, and Altoona Mirror.

21 I was a member of the Greater
22 Johnstown School Board in the late '80s, early
23 '90s for eight years, serving four years as
24 president and four years as minority leader.

25 I'm currently married to a high

1 school French and Spanish teacher. That's one
2 teacher, two subjects, who makes it very
3 interesting for me as I look at this discussion
4 from a variety of viewpoints: conservative
5 newspaper publisher, Democratic public school
6 teacher. So any problems you have across the
7 aisle during discussion or debate, welcome to
8 my -- you're welcome to join me for dinner some
9 night, and we'll talk.

10 Very many good arguments have been
11 made to you today about why House Bill 633 is a
12 bad bill. In addition to the discussions made
13 by Mr. Bower and the gentlemen from the
14 newspaper industry, I just wanted to close out
15 the discussion to explain why it's a bad bill,
16 not so much from the advertising and economic
17 standpoint, but, rather, from the transparency
18 in government and the restrictions it might
19 place on the public's right to know.

20 Government cannot take over the
21 public notice process. Government secrecy and
22 corruption isn't new, nor is it everywhere.
23 Most people who are in state and local
24 government are good people, whether it's the
25 House of Representatives, whether it's local

1 school districts, local municipalities, but
2 there is room if the candle is not lit for
3 corruption, and we're concerned about that.

4 Trusting government at this time
5 nationwide is at an all-time low, and more than
6 ever before the public is demanding
7 transparency and accountability from its
8 elected officials. That, along with some of
9 the facts we talked about today regarding
10 public notices, is why this is a bad idea for
11 government to take over the public notice
12 process. These notices are announcements from
13 all levels and branches of government and
14 affect all citizens, taxpayer and nontaxpayer
15 alike.

16 A recent example in my area regarding
17 the gas drilling industry show you how
18 important this could be. In Armstrong County
19 or, excuse me, in Armstrong Township, located
20 in Lycoming County, a proposed water withdrawal
21 facility to service the Marcellus gas industry,
22 located in a flood plain, required and was
23 denied a zoning permit. An appeal of that
24 denial was filed with the township, and a
25 zoning hearing was set up, not uncommon

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1 anywhere in Pennsylvania.

2 Besides the obvious fact that this
3 facility was located in a flood plain, another
4 issue that affected the residents of Sylvan
5 Dell Road as well as the residential
6 neighborhoods abutting it in South Williamsport
7 was the fact that truck traffic was going to be
8 increased greatly in a residential
9 neighborhood.

10 And all of us have been studying up
11 on the gas industry, the frac trucks, enormous
12 tractor-trailers, carrying both clean and
13 sometimes polluted water going all over the
14 commonwealth but especially in the northern
15 tier parts of Pennsylvania. This is a big deal
16 to the people in my region in north central
17 Pennsylvania.

18 A legal ad in The Sun-Gazette
19 notified people in both communities affected by
20 the proposal, and over 150 people showed up to
21 voice their opinions, both pro and con,
22 although most were negative.

23 In another example, General Energy
24 wanted several special exemptions and variances
25 to convert an old store, an old trading post,

1 which long served tourists in the Pine Creek
2 Valley into an office building and staging area
3 for commercial operations related to the
4 Marcellus gas drilling industry.

5 People are already up in arms about
6 things going on in their neighborhood. Large
7 trucks going down routinely calm streets.
8 Dirt, dust, damage, noise, all these things
9 were affecting the people in the community.
10 Had that ad not been in the paper, chances are
11 very great that a majority of the people would
12 not have known that Watson Township was holding
13 a zoning hearing.

14 Many of the regions of Marcellus
15 Shale gas drilling and operations are populated
16 by long-time residents of the area. Many are
17 farmers, generationally owned landowners, and,
18 of course, many are senior citizens.

19 And I'm going to extend the number or
20 the age group for senior citizens down to 50.
21 Now, I'm still a little ways off on that, but
22 nevertheless, I think it's just to make the
23 point of how important or what an impact this
24 has on our population.

25 Statistically about 58 percent of

1 seniors in Pennsylvania are not on the Internet
2 and depend exclusively on daily newspaper for
3 daily notices. In fact, the AARP is against
4 government attempts to remove public notices to
5 go exclusively into governmentally controlled
6 sites.

7 With the Marcellus Shale gas industry
8 play unfolding across all of Pennsylvania, now
9 is not the time to make it harder for our
10 citizens to be informed. Nothing has impacted
11 or shaped the future of our commonwealth like
12 this since the emergence of the steel industry
13 in the late 19th and early 20th century, and
14 there's no arguing that.

15 Local governments want to stop
16 publishing in newspapers and put public notices
17 on their own Web sites only. Under these
18 proposals, public notices could be spread out
19 across more than 4,000 different Web sites,
20 making it nearly impossible for an interested
21 statewide bidder or even a local regional
22 bidder to know what government is planning
23 until it's too late.

24 School boards this year -- and, again
25 getting back, I'm married to a teacher. I hear

1 about this every night. School boards this
2 year with big changes in the fiscal climate
3 have been calling a number of extra meetings,
4 often on very short notice, that require
5 notification, and they are not the only ones.
6 Many public entities are now calling meetings
7 on very short notice from time to time.

8 These special meetings would be very
9 difficult for the average person to keep up on
10 without having to check multiple Web sites,
11 their school district, their municipality,
12 their county, and so on on a daily basis. It's
13 much easier to have these notices in the local
14 newspaper. People are trained and understand
15 to look for public notices in their local
16 newspaper.

17 Again, the concern here is that most
18 seniors do not have online access, either by
19 their own wishes or simply they don't want to
20 deal with it, along with about 40 percent of
21 low-income households, 46 percent of persons
22 with disabilities, and nearly 40 percent of
23 many minority groups. This bill would make it
24 more difficult for our citizens to stay
25 informed.

1 Should government take over control
2 of the public notice process? No. It is
3 critical that an independent third-party
4 publish -- excuse me. It is critical that an
5 independent third-party publish public notices.

6 These notices often relate to
7 controversial actions by government, and it
8 would be all too easy to hide an important
9 notice on a rarely visited, hard-to-navigate
10 Web site, and this is a real problem,
11 especially with the smaller municipalities.

12 State government, you're wired. Us
13 in the newspaper business, we're wired. We're
14 on and off the Internet every day at multiple
15 times. We know how to get back and forth to
16 each other through e-mails and through notices.

17 The general public is not wired.
18 Outside of some of the major cities, the
19 numbers of people on the Internet have dropped
20 exponentially.

21 Without independent verification a
22 notice was published and printed at a specific
23 date and time, the notice would also be subject
24 to costly, time-consuming legal challenges, and
25 as much as we have confidence in our local

1 officials, no one can deny that government
2 corruption exists.

3 On my testimony, you'll note a little
4 written example from California which for
5 time's sake I'm going to skip over.

6 Because of similar incidents
7 nationwide, the AARP is against government
8 attempts to move public notices to
9 government-controlled Internet sites along with
10 the Pennsylvania Newspaper Association since
11 more than half of seniors don't have access.

12 The Pennsylvania Farm Bureau, the
13 League of Women Voters, PennFuture, the
14 Teamsters, and the Sierra Club have also
15 opposed these measures to move public notices
16 out of the paper and put them only on
17 government Web sites.

18 To close out the argument, as state
19 legislators, government officials, and
20 publishers of newspapers, we have real daily
21 power. All of you can pass bills and set
22 legislation. I and my colleagues can determine
23 daily news flow and set the daily agenda in the
24 community and the county.

25 Most citizens of Pennsylvania do not

1 have these powers. They work hard every day.
2 They raise their families and cope with tough
3 economic times the best way they can.

4 The only time our citizens, our men
5 and women, have real power is when they have a
6 chance to attend a public meeting and speak out
7 for what they support.

8 A perfect example, my father, a
9 steelworker for over 32 years in Johnstown,
10 Pennsylvania, didn't have a college degree or
11 his own office. He worked hard as a laborer
12 for Bethlehem Steel every day. He had no power
13 at work. He was a member of the United
14 Steelworkers. That's the only power he had
15 when it came to collective bargaining and
16 safety issues, but outside of that, he was a
17 common Pennsylvania laborer who worked hard
18 every day.

19 He worked so that he was able to earn
20 enough money to feed our family, but my father
21 was also civic-minded and interested in
22 community government. He would attend public
23 meetings and speak out both for and against
24 agenda items that affected our neighborhood.

25 Often as a young boy and into my

1 teens, I would go along with him as an
2 observer, and, of course, I wanted to spend
3 some time with my dad. He wasn't eloquent or
4 polished, but he was able to speak his mind and
5 go home with the satisfaction that he did his
6 best.

7 It's for men and women like him in
8 Pennsylvania that we are so passionately
9 opposed to removing these notices from our
10 newspapers. Hiding public notices on
11 little-used government Web sites will hurt the
12 citizens' chances of being heard. It will hurt
13 a man like my father and others who work in
14 industry every day. You can't be heard if you
15 don't know about a meeting, and this is about
16 public notification and the public's right to
17 know.

18 When you take away a man's right to
19 speak out, you take away his dignity. When you
20 take away a man's dignity, you challenge his
21 pride and honor. And any man, woman, or
22 citizen of this commonwealth who has wrongly
23 been left out of the debate is going to become
24 frustrated, angry, and bitter.

25 We see it from time to time in the

1 newspaper industry. As public officials, you
2 see it as well. People must be able to speak
3 out, and they can't do it if they don't know
4 where the meeting's going to be held.

5 This is not how we should treat the
6 men and women of Pennsylvania. What we need
7 now is cooperation and civil debate, not a
8 climate of anger and bitterness which
9 restricting public notices will create.

10 The current system of placing all
11 public notices in local newspapers is not
12 broken. It works well and is the backbone of a
13 free and informed population. You would not
14 disband or change a system that is working so
15 well. It would be the equivalent to disbanding
16 the state police or National Guard and then
17 asking your local municipalities, okay, you
18 raise, create, finance, and train and equip
19 your own troopers and militia. It doesn't make
20 sense, and that would never happen.

21 Like the Guard, like the state
22 police, newspapers provide a vital service, and
23 we think we do it damn well. The debate that
24 we are having today is not about saving money.
25 It's about restricting public access to public

1 meetings.

2 We know it's not the state
3 legislature or state Senate's fault. We don't
4 hold you responsible for this. We know that
5 some of the municipalities and school districts
6 are twisting your arm, saying please do this,
7 please do this, you can save us money, and it's
8 not going to save the kind of money they're
9 leading you to believe.

10 An example, Montoursville School
11 District abuts my town of Williamsport, \$27.2
12 million annual budget for 2,000 kids. You know
13 what they spend each month in my paper for
14 public notices? \$313 a month on a \$27 million
15 budget.

16 They spend more on coffee, doughnuts,
17 and bottled water for their board members than
18 they do on public notices, and they're going to
19 come here and take up our time and tell you and
20 I that newspapers aren't working. Nobody reads
21 them.

22 Well, let us put a story on A1 about
23 a tax increase or about someone who got in
24 trouble for a DUI and then come back to me and
25 say, oh, that's no problem, Bernie. Nobody

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1 reads the newspaper. We all know that doesn't
2 happen.

3 We think as newspaper men and women
4 that the state legislature and the Senate is
5 being sold a bill of goods, and that's why
6 we're here. We're here to protect not only the
7 citizens right to speak out but, more
8 importantly, the citizens right to know what's
9 going on.

10 There are other examples. Loyalsock
11 School District, \$18 million budget, \$333 a
12 month. Williamsport -- South Williamsport
13 Borough, \$2 million borough budget, \$350 a
14 month on average with us. This is not going to
15 make or break a municipality.

16 I think what needs to be done from
17 our standpoint is newspaper men and women as
18 legislators is to go back to these supervisors,
19 township borough officials, and school district
20 officials and say, hey, if you want to save
21 money, if you want to put this thing on the
22 right track, then let's sit down and have
23 meaningful discussion about school district and
24 municipal consolidation and merger. You'll be
25 saving hundreds and hundreds of millions of

1 dollars when that day comes. I know it's not
2 going to happen for this budget, but right now
3 we're bending over, picking up pennies while
4 \$20 bills are blowing around in the wind, and
5 that's not the way to look at this process.

6 So, in closing, we in this room from
7 the newspaper industry, representatives of our
8 readers and citizens, implore you and ask you
9 respectfully to either table this motion or
10 vote no when it comes to a vote.

11 And, of course, I'm open for
12 questions as well. Thank you very much.

13 CHAIRMAN CREIGHTON: Thank you for
14 your passionate closure there. That was very
15 good.

16 MR. ORAVEC: Thank you.

17 CHAIRMAN CREIGHTON: And each of you,
18 Ernie and Don and Martin.

19 Is the gentleman Jack
20 Williams -- he's not here?

21 MS. HENNING: I don't believe so, but
22 he did submit written testimony.

23 CHAIRMAN CREIGHTON: Okay. We'll use
24 that.

25 And can you -- some of you stay

1 around for rebuttal as we go through the other
2 side?

3 MS. HENNING: Yes.

4 CHAIRMAN CREIGHTON: Okay. So you
5 have standing to --

6 MS. HENNING: Can you all stay? That
7 would be great.

8 CHAIRMAN CREIGHTON: -- respond to
9 any comments that come up from the next
10 section.

11 MS. HENNING: Okay. Thank you.

12 CHAIRMAN CREIGHTON: Open for
13 questions. Do we as a committee have questions
14 for these gentlemen?

15 Go ahead.

16 CHAIRMAN FREEMAN: Thank you,
17 Mr. Chairman. In some of the comments -- thank
18 you all for your testimony as well. I
19 appreciate that.

20 In some of the comments -- I think
21 there was reference perhaps in Mr. Till's
22 testimony about mypublicnotices.com as a
23 source. Can you give me more details as to how
24 that Web site works, how it operates?

25 MR. TILL: Yes. Mypublicnotices is

1 a -- that's the Web address. You can go to it,
2 mypublicnotices.com.

3 Literally every newspaper sends all
4 of their legal -- 100 newspapers send their
5 legal advertising to that Web site. We post
6 them as we do on our Web site.

7 And then from a user, you can go on
8 and you can do a search based on what you're
9 looking for. So you can do it by county. You
10 can do it by -- you can look for a school
11 district.

12 So if I want the Easton Area School
13 District or Saucon Valley School District, I
14 can go on that Web site, type it in. Then it
15 brings me all the legal ads that are on that
16 Web site for that municipality or school
17 district or whatever it is. It's a true,
18 searchable database.

19 CHAIRMAN FREEMAN: So actually for
20 anyone who's looking to bid on jobs in various
21 municipalities across the state, it's a good
22 one-source, one-stopping location?

23 MR. TILL: That is correct. It is.
24 You know, there have been other bills in the
25 past about doing a statewide Web site, the

1 problem with it being run by the government or
2 by the state. It does that. It's just done by
3 private business.

4 CHAIRMAN FREEMAN: One other point
5 you made too, Martin, I wanted to touch on.
6 You mentioned that if this legislation were to
7 pass and you were to go to a government Web
8 site approach, that in order to ensure the
9 validity of that Web site, you'd have to have a
10 backup system, a redundancy?

11 MR. TILL: Yeah. You can't have a
12 Web site that can go down. If I've got --
13 whether it's a meeting notice or a bid notice,
14 if I'm a contractor and I go on and that Web
15 site isn't available, then if I -- you know, if
16 it's a big contract and I go to go on that Web
17 site and it's not available, I'm not going to
18 let the other bids be put through without mine.
19 So there's going to be some legal action,
20 whatever it is, to do that.

21 And, again, from a meeting notice, if
22 the Web site goes down, okay, does the meeting
23 now have to be delayed if it's down an hour,
24 two minutes, two days? And so you need a
25 redundant backup server that are normally off

1 site. So our stuff that's in Easton will be
2 backed up in Wilmington, Delaware, for example,
3 and so you need to go to these folks that have
4 redundant service.

5 And, again, the other difference is
6 if I've got a little Web site today, it's
7 running off a little computer. That doesn't
8 work when you've got people coming to it.
9 Again, if you go to -- what's the name of the
10 Web site that does all the tracking of traffic?

11 MS. HENNING: Compete.com.

12 MR. TILL: If you go to compete.com,
13 for example, compete.com, you can go in and put
14 a Web site in or two Web sites in and hit a
15 button, and it will tell you their traffic for
16 the month.

17 So if you look at
18 lehighvalleylive.com, you'll see over 700,000
19 unique users. If you go to a school or any
20 municipality Web site today, there's virtually
21 no traffic. So there's no test to the
22 technology.

23 If people have to start going, you
24 need a robust system to manage that. It
25 just -- and, again, it's not inexpensive

1 technology.

2 CHAIRMAN FREEMAN: And I want to get
3 to the cost too. To have that kind of
4 redundancy system would have considerable
5 costs?

6 MR. TILL: It's a minimum -- just --
7 and, again, just the technology costs in terms
8 of going back and forth is a thousand dollars a
9 month. I mean, that's nevermind the technology
10 of buying it, people to input the information,
11 to track it. I come in. I want a time-stamped
12 copy of it.

13 I mean, all that -- I mean, we have
14 it every day. I mean, we have people every day
15 come in to get copies of legal ads. You know,
16 every school district, everybody's going to
17 need that. I mean, there's going to have to be
18 a clerk available to do that.

19 Again, it may be online, but it
20 doesn't mean you're not going to have somebody
21 coming in, saying I need a copy of it, and it
22 also has to be time stamped. So if I've got a
23 24-hour notice for a meeting, I've got to have
24 the technology to time stamp that notice so as
25 a citizen I know that you actually did put it

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1 online in time for the 24-hour advance notice.

2 Again, our technology does that
3 today. There's no -- my assumption would be
4 there would be very few, if any, municipal Web
5 sites that have that capability today because
6 they just don't need to have it, and, again,
7 that's not cheap.

8 CHAIRMAN FREEMAN: Could you also
9 speak to the issue of archiving information?
10 One of the benefits of the newspapers is not
11 only do you have your own libraries, but
12 typically the public libraries retain copies,
13 so there's a record, historical record, as to
14 notices and any other legal documents.

15 MR. TILL: Correct, and the other
16 advantage is that most newspapers today,
17 including ourselves, we will end up -- we're
18 going back to the beginning of time for our
19 newspaper in archiving every page.

20 The other thing we do is today we
21 archive every page today electronically. So if
22 I want to go and see a legal notice that ran
23 three years ago -- and it happens with us in
24 lawsuits. We'll get notices of things -- we
25 can literally go to our Web site, pull up the

1 page, the actual page that was printed, and
2 print out a copy of it. So you got the proof.

3 CHAIRMAN FREEMAN: And, of course,
4 the public libraries also retain --

5 MR. TILL: Public libraries have
6 every newspaper, correct.

7 CHAIRMAN FREEMAN: I think it was
8 Mr. Oravec who mentioned the percentage of
9 folks who don't have Internet service. Can you
10 just run through those numbers again to
11 clarify?

12 MR. ORAVEC: It was over 50 percent
13 of seniors. Let me see.

14 MS. HENNING: I can do that, if
15 that's all right with you.

16 CHAIRMAN FREEMAN: That's fine.

17 MS. HENNING: Yeah, the latest
18 statistics show 58 percent of seniors are not
19 on the Internet, 46 percent of those with a
20 disability, and between 30 and 40 percent of
21 certain minority populations.

22 CHAIRMAN FREEMAN: And did any of
23 your surveys or studies look at if certain
24 regions of the state --

25 MS. HENNING: Those studies exist,

1 and we can provide them to you, but they're not
2 in our materials today. Pennsylvania varies
3 widely depending upon broadband capability and
4 geography.

5 CHAIRMAN FREEMAN: Which is one of my
6 concerns as far as the northern tier of the
7 state. I understand there's not complete
8 broadband access in the northern tier as well.

9 MS. HENNING: That's correct.

10 MR. ORAVEC: And we even have
11 problems with general cell phone service in
12 that part of the state. It's very difficult as
13 well.

14 CHAIRMAN FREEMAN: And then one final
15 point. A number of years ago I know the
16 newspaper association agreed to offer the
17 lowest possible rate, is that correct, in terms
18 of their legal notices?

19 MS. HENNING: There was language on
20 the table, yes.

21 CHAIRMAN FREEMAN: And is that still
22 pretty widely observed?

23 MS. HENNING: Oh, my gosh. I mean,
24 you can look at newspaper rate cards across the
25 state. Many of them, you'll see that the legal

1 advertising rate is well below other commercial
2 rates, and we're happy to give you any example
3 you want to see.

4 CHAIRMAN FREEMAN: Okay. Do some of
5 you have some examples as to what a typical
6 rate per line would cost?

7 MR. TILL: I'll give you -- from my
8 newspaper, we -- if it's a classified, if
9 you're a classified -- if you're a Brown-Daub,
10 for example, you'd probably pay somewhere
11 around 3 to \$4 a line. Our legal ads I believe
12 are less than a dollar. I think it's like 80
13 cents a line. And, again, Brown-Daub is a big
14 advertiser.

15 So that's a really good commercial
16 rate. So it is by far the lowest rate that
17 we're putting out there.

18 MR. ORAVEC: And we're very similar
19 to that, same general range.

20 CHAIRMAN FREEMAN: Again, holding to
21 the lowest possible rate for legal notices?

22 MR. ORAVEC: The lowest possible,
23 yeah. It's usually considered a nonprofit, the
24 same lowest rate that we'd give to like a Red
25 Cross or a Salvation Army or someone who wanted

1 to place a regular display ad. Line ads are
2 the lowest rate we have.

3 CHAIRMAN FREEMAN: Oh, and one other
4 follow-up too. I think as Mr. Till made the
5 point that readership of The Express-Times is
6 actually up, even though perhaps not in the
7 print copy alone, but when you add the print
8 and the net copies, it --

9 MR. TILL: Correct. I got you The
10 Express-Times in January of 1998, and at that
11 time we didn't even have a Web site, and we
12 were about 50,000 circulation, about 48,000
13 circulation on Sunday, and today we're about
14 45,000 circulation daily, and we're over 50,000
15 on Sunday now.

16 So our -- it's relatively flat;
17 however, again, our Web traffic, our Web
18 individual -- we have over 700,000 unique Web
19 users a month.

20 CHAIRMAN FREEMAN: And is that true
21 for most of the papers that are represented
22 here today, that you've seen an increase in
23 readership when you combine the two?

24 MR. ORAVEC: I think following up
25 with what we just discussed, in our paper, we

1 average -- we're a little smaller. We have
2 30,000 Sunday circulation, 24 during the week
3 Monday through Saturday. That's down a few
4 thousand readers over the past five years or
5 so.

6 But our Web traffic is -- we average
7 nearly 2 million page views a month with about
8 135,000 unique visitors each month, and the
9 same argument would hold true on our end.
10 We're finding that both of them work in
11 concert.

12 On most Web sites, if you count a
13 whole newspaper, a regular printed newspaper,
14 and you were to say, well, how much of that
15 content, advertising, stories, editorial goes
16 online, probably 30 to 35 percent of the actual
17 full newspaper is only online.

18 So most people who want the paper,
19 especially they want -- who buy Sunday papers
20 for Sunday fliers or special advertisements,
21 most people are still sticking to a traditional
22 paper, but they're supplementing their
23 information gathering by visiting our Web site.

24 We're also seeing -- years ago we all
25 sent papers out of state. We sent them to the

1 snowbirds in Florida. We sent them all over
2 the world.

3 CHAIRMAN FREEMAN: Kids in college.

4 MR. ORAVEC: That's what's changed
5 really. That, and in our case in the northern
6 tier, as a lot of the seniors pass on, people
7 who are baby boomers like myself that move on
8 down the road, we're seeing a higher
9 representation of transient workers, folks from
10 Texas and Oklahoma coming up to work the gas
11 wells, and right now that's a challenge that
12 many of the northern-tier papers are facing,
13 whether, you know, we can replace the
14 traditional, lifelong Pennsylvania residents
15 and have something interesting for these folks
16 to buy the paper on.

17 So what we're finding is more of the
18 transient crowd will buy a single paper at a
19 newsstand or go online, where most of the
20 traditional, lifelong Williamsport area
21 residents will either exclusively use the paper
22 or augment it just with online.

23 CHAIRMAN FREEMAN: Oh, I'm sorry, one
24 last question. I apologize. I keep coming up
25 with these questions.

1 In your survey information, I
2 understand that you looked at what percentage
3 of readers look at the classified section?

4 MS. HENNING: There was a National
5 Newspaper Association study of community papers
6 that showed that a very high percentage -- I
7 don't have it memorized. Is it 80? I can't
8 remember. 75 percent of readers actually
9 viewed the classified section, read legal
10 notices in those newspapers.

11 CHAIRMAN FREEMAN: So that's one of
12 the more widely read parts of the paper --

13 MS. HENNING: Right.

14 CHAIRMAN FREEMAN: -- in that regard?

15 MR. ORAVEC: And adding to that just
16 a little bit, what we found too is most of us
17 have legal notices in with the classified
18 section, and with the recession that we just
19 went through in '08 and '09, now people are
20 starting to open up a little bit with job
21 opportunities. So the same section as having
22 all the employment in, the people looking for
23 automotives, it all ties in. So we get a
24 pretty good readership.

25 And a lot of it isn't just, oh, well,

1 they're only looking for that notice, but when
2 they're in there -- let's say something's going
3 on in Williamsport, but I live a county away.
4 I might happen to stumble across a bid, zoning
5 variance, or something that's going on with
6 either the gas industry or a local industrial
7 complex. So it's nice that we do place our
8 notices in a widely read section, which is near
9 the help wanteds.

10 CHAIRMAN FREEMAN: Oh, and just one
11 point of clarification for Mr. Schreiber too.
12 As the ranking Democratic chairman, I feel
13 compelled to let you know that the prime
14 sponsor of the records -- Open Records Law in
15 the house was Representative Tim Mahoney, who
16 is a Democrat from western Pennsylvania.

17 So I think you'd find that there are
18 a lot of strong advocates for that in my caucus
19 when it came up for a vote. So just to clarify
20 that point.

21 Thank you all for your testimony.

22 MR. ORAVEC: Thank you. Appreciate
23 the opportunity.

24 CHAIRMAN CREIGHTON: Certainly a
25 bipartisan issue. Teri, what's the definition

1 of senior?

2 MS. HENNING: I think in the
3 statistic that we provided to you, it's 65 and
4 over, but I can verify that.

5 CHAIRMAN CREIGHTON: Okay. And it's
6 pretty high? 58 percent did you say?

7 MS. HENNING: Um-hum, um-hum.

8 CHAIRMAN CREIGHTON: Okay. I'd like
9 to turn the questioning over to Jerry Knowles.

10 REPRESENTATIVE KNOWLES: Thank you
11 very much, Mr. Chairman.

12 I want to extend a personal welcome
13 to the Lehighon Times News as well as the
14 Pottsville Republican Harold. It's good to see
15 representation from two of my hometown
16 newspapers here.

17 The question that I -- and this is a
18 very difficult issue because we are certainly
19 pulled in two different directions, you know,
20 one by the media as to necessity of continuing
21 as is and then as the local governments saying
22 that it's a very costly -- it's a real strain
23 on their budgets.

24 And Chairman Freeman, I think he
25 asked the question that I was interested in,

1 but maybe -- and that is in terms of pricing
2 for ads. Compare like a display ad as compared
3 to like a legal notice. What are we talking?
4 I was always of the impression that legal
5 notices were more expensive.

6 MR. TILL: And I can speak for my
7 newspaper. In my newspaper the legal notices
8 are the lowest cost ads we have. Well, we have
9 free classifieds, so other than -- it is a
10 low-cost ad.

11 Again, I go back to the numbers. In
12 my newspaper in 2010, we had 95 municipalities
13 advertising in my newspaper, 95 different
14 organizations. The average spend for the year
15 was \$2,800. That's the average. Forty of
16 those 95 spent less than a thousand dollars.

17 So this myth that -- and, again, I'm
18 Northampton County and Lehigh County in
19 Pennsylvania. You know, again, Northampton
20 County with almost a \$300 million budget spent
21 \$44,000 with me on legal advertising. Okay?
22 What they spent on sheriff sales is not paid by
23 the county. The sheriff sales are paid by the
24 entities publishing the sheriff sales. They
25 just go -- they flush through the county. The

1 county has no cost on that.

2 So they'll give you those numbers.
3 They'll say, oh, it was millions of dollars.
4 It is not true.

5 Again, if I look at the Easton Area
6 School District, \$141 million budget, and the
7 school district that I would argue most seniors
8 want to be to or most citizens want to know
9 about. That's a school district that gets
10 heavy attendance at the meetings, which I would
11 argue one of the reasons they don't want them
12 in the newspaper is they don't want the heavy
13 attendance at the meetings.

14 That school district -- and if they
15 come up here and say they're going to save
16 thousands -- they spent \$4,000 with me, or I
17 should say they invested \$4,000 to inform their
18 taxpayers what's going on in their school
19 district, 4,000 on a budget of \$141 million.
20 So it's not -- you know, there's no millions of
21 dollars of savings.

22 And, again, I can give you without
23 exception the fact that Easton Area School
24 District, Northampton County, and everybody who
25 runs with me, those 95 people, without

1 exception, every one of them would have an
2 increase in cost, a significant increase, if
3 this went through, not a little bit,
4 significant increase.

5 Again, I've got 40 of them that spent
6 less than a thousand dollars a year. These are
7 not monthly numbers. These are annual numbers.
8 So the savings are just not there.

9 REPRESENTATIVE KNOWLES: If -- is
10 that the case in most newspapers throughout the
11 commonwealth that these ads are generally less
12 than general advertising?

13 MS. HENNING: No.

14 MR. ORAVEC: No. I can only speak
15 for -- I'm not familiar with Pittsburgh,
16 Philadelphia. So if we exclude the two large
17 cities. Most of central Pennsylvania, when
18 you're looking at classified, usually the most
19 expensive ads are help wanteds in many
20 instances because it's, you know, a necessity
21 and people need to be in. Sometimes home sales
22 are a little steep, some of those ad prices,
23 but normally, in most cases the public notices
24 are at the very bottom or the very bottom of
25 the price structure.

1 What I think happens often -- and
2 we've encountered this even with discussions
3 with local supervisors and local school
4 districts -- they confuse what is a public
5 notice with employment advertising. They'll
6 lump everything together. Their notices that
7 they'll put in about public notices and zoning
8 variances, they'll add up that money and add
9 that to secretary wanted, Spanish teacher
10 wanted, and they're really two different areas,
11 and I think it's important to take apart public
12 notice from normal advertising, and I think
13 that's where a little bit of the disconnect
14 comes in.

15 REPRESENTATIVE KNOWLES: And my last
16 comment is someone had talked about -- in their
17 testimony had mentioned the loss of a thousand
18 jobs. If that would be the case, I got to
19 think that we're talking about a pretty good
20 chunk of change that is spent on legal notices.

21 MR. TILL: Well, I'll give you the
22 numbers from my newspaper. The number is
23 somewhere about \$1.2 million; however, of that
24 \$1.2 million, 900 -- and I think it's \$980,000
25 are sheriff sales. So, again, that's not paid

1 by the county. It just goes through the
2 county, so -- but if they do this, I lose the
3 sheriff sales as well. So, for me, it's \$1.2
4 million, and based on what that represents to
5 my newspaper, just at my newspaper, it's 20
6 people.

7 And, again, there is a significant
8 financial impact to newspapers, and, you know,
9 it's very hard to sort of be up here and --
10 because we are talking about transparency.

11 You know, I mean, we know the tricks
12 that some school boards in our area do. The
13 stuff that's going to be sort of troublesome
14 they put at the end of the agenda assuming our
15 reporters have to leave to make deadline.
16 Well, now, because of technology, our reporters
17 don't have to leave. They can file the story
18 from the media. So the best way now is just
19 not to have us there or to not know about it.

20 And, again, I -- it really is about
21 people knowing what's going on in their
22 community. You can't -- and, again, if you
23 want them online, they're already there. At no
24 cost, they're there in one aggregated, very
25 well-done, professional, robust, searchable Web

1 site. It's already done. Okay?

2 The reality is the myth that nobody
3 reads newspapers is just a myth. And, again,
4 as you said, you know, let there be a good or
5 bad story about one of you be in your
6 newspapers and you'll know about it, and most
7 of us always want the good stories.

8 And, you know, we still have over
9 100,000 people a day read my newspaper.
10 100,000 local people read my newspaper every
11 day.

12 You know, this is about people
13 knowing what's going on in their government.
14 You know, the Delaware Joint Toll Bridge
15 Commission, which I -- the story I told you
16 earlier about, the increase in the tolls,
17 nobody could do anything about that. You can't
18 do anything about it. We can't do anything
19 about it. The people who are going to pay the
20 tolls can't do anything about it.

21 And it was done because nobody knew
22 about the meeting. It wasn't on the agenda,
23 and only because we had a reporter, by chance,
24 sitting -- knowing that the meeting was going
25 to happen did we even get the story. That will

1 happen every day.

2 And my concern is the lower you go,
3 the more -- you know, you're my buddy, and I
4 need the -- you know, I need something done.
5 Look, 2 o'clock go to my Web site. You're
6 going to have a bid. Print it out, and then it
7 will be off my Web site. And the reality is
8 there's no way to control that, and nobody will
9 know. And if I don't even know of the
10 meetings, I don't know.

11 And, again, what is the difference
12 between getting 15 bids and 4 bids? One number
13 is it's a 10 percent difference, and if I
14 remember right, that was a \$1.4 million
15 contract. That's \$140,000. And the school
16 district just probably spent \$4,000 with its
17 newspaper. I mean, you know, you think we're
18 really going to change this where they can save
19 \$140,000 on a bid to save \$4,000 because of a
20 newspaper?

21 And one of the other things that was
22 mentioned before which really concerns me was
23 that we make it optional. They can run in the
24 newspaper, or they cannot. Well, what that
25 does to politicians, you know, if you don't

1 like your newspaper, if they didn't endorse
2 you, if they're giving you a hard time about
3 that tax increase, if they're running
4 editorials you don't like, cut them off. You
5 know, if they're nice to you, keep running.

6 That's a really dangerous way of
7 doing business. That's a really, really
8 dangerous way. And, again, a lot of people
9 some days don't like their local newspapers.
10 We're not the devil. You know, we employ
11 thousands of people in this commonwealth. We
12 try every day to do a very good job.

13 You know, I love it when people say
14 you have a conspiracy. I say come and work.
15 We don't have time to even think about having a
16 conspiracy. You know, we're like everybody
17 else out there.

18 You know, this legislation and others
19 like it, there's just to reason for it. It's
20 not going to save any money. It is just not
21 going to save any more. It will actually cost
22 more, and what you want to have done in the end
23 of having everything online is already being
24 done.

25 REPRESENTATIVE KNOWLES: Thank you,

1 lady and gentlemen. Thanks, Mr. Chairman.

2 CHAIRMAN CREIGHTON: The committee
3 would like to recognize RoseMarie Swanger from
4 Lebanon County has joined us, and I'd like to
5 turn it over to Representative Truitt.

6 REPRESENTATIVE TRUITT: Thank you,
7 Mr. Chairman.

8 One of my questions was already
9 answered regarding the percentage of people who
10 read the public notices section. I'd be
11 curious to know a little more about the
12 demographics of people that do read that, but
13 I'd like to focus my question on the cost
14 argument here. I'm having a hard time
15 understanding where you're going with this.

16 You're giving us examples, for
17 example, of a school district that only spends
18 \$300 a year on public notices, yet you're
19 saying that, you know, it will cost them more.

20 If we give them the option to
21 advertise in the newspaper or on their own Web
22 site, why would they go for the more expensive
23 option? Are you saying that they're all
24 corrupt, incompetent, misinformed? What
25 exactly are you trying to say there?

1 MR. ORAVEC: I think the discussion,
2 when it came down to dollars to the newspaper
3 and how it would affect individual private
4 sector jobs, revolves around the fact -- and
5 most of these municipalities or school
6 districts individually spend a small amount of
7 money in each district, each township, towards
8 the newspaper.

9 Collectively, 24 -- in my area, for
10 example, I have 24 school districts within a
11 couple of counties from Williamsport and I
12 believe 16 or 18 municipalities. Collectively
13 that money coming in might generate 10 to
14 \$15,000 a month. So it comes down to whether
15 you're trying to lump all these municipalities
16 together, which you really shouldn't do because
17 each one is different.

18 For example, if my school district is
19 going to have a building project this year or
20 if I'm going to build a new stadium somewhere,
21 of course, I'm going to have ten times as many
22 public notices as the district down the street
23 that is running business as usual with an
24 average-aged building.

25 So it's going to vary from year to

1 year, month to month, but collectively it
2 affects the newspapers because those dollars
3 coming in from all -- in my instance 40
4 government entities do add up, makes it a
5 significant amount of money.

6 So being the township, school
7 district, municipalities, you're not funding
8 them all the same way. They're all being
9 funded differently. You can't collectively
10 say, well, all that money is a collective joint
11 savings because it really isn't. It would vary
12 from district to district, if that makes sense.

13 REPRESENTATIVE TRUITT: I'm not sure
14 -- I think I understand what you're saying on
15 the cumulative effect, but I'm just saying at
16 the individual school district or municipality
17 level, why would they choose to go online if it
18 really was going to cost more to do it online
19 than it would be for the newspaper?

20 MR. TILL: I would argue most of them
21 won't have the understanding of what it will
22 cost to do it online until they have problems.

23 Again, some people think my kid can
24 set up a Web site and off we go. It's not that
25 simple today. It just is not.

1 So you've got the infrastructure
2 costs which they don't know about. You've also
3 got the cost of -- right now you send us a
4 notice. Well, now, you got to have somebody
5 type it. I mean, I don't think they're going
6 to dig into what it really takes to do it, and
7 then you get into technology costs, the capital
8 replacement costs of technology, because it
9 changes every single day.

10 And I honestly do think there are
11 school districts, and a number in my market,
12 that would love to not have their notices in my
13 newspaper. We've got a school district where
14 we've got a school board member who got his
15 daughter a job, who got fired, who's now suing
16 the school district her dad sits on, and it's a
17 great story for us. He doesn't want it. You
18 know, if he could keep that story out of the
19 newspaper, of course he would.

20 REPRESENTATIVE TRUITT: And is your
21 newspaper the only one he could advertise in?

22 MR. TILL: Yes, that is correct.

23 REPRESENTATIVE TRUITT: That's all I
24 have. Thank you.

25 CHAIRMAN CREIGHTON: Thank you,

1 gentlemen and ladies.

2 That concludes our first part.

3 We're -- wait. We have -- Dave Maloney has one
4 more question, and then we'll set up for the
5 next group. We're right on schedule, one hour,
6 and my compliments to your presentation.

7 Thank you.

8 REPRESENTATIVE MALONEY: Thank you,
9 Mr. Chairman.

10 My question is really more geared
11 to -- sorry, but Mr. Bower. I think I have
12 concerns with respect to the waivers and how
13 often this has happened, or do you know that
14 there's a routine of how this happens?

15 I've been involved with quite a few
16 projects to that caliber that you're referring,
17 so I guess my concern would be to -- is this a
18 spotty Mandate Waiver that gets asked for? Is
19 this something that you see happening more
20 often? Is it just something that happened
21 occasionally?

22 I guess I'm trying to understand how
23 this actually happened, and you obviously
24 worked for the school district before, and then
25 evidently were in the dark about this project.

□

1 MR. BOWER: We've done a lot of work
2 for the Berwick Area School District. We've
3 also done work for a lot of school districts in
4 a wide area, probably within 50 miles of home
5 base.

6 This particular project is the second
7 project that we're aware of in the Berwick Area
8 School District; however, there is a similar
9 program that's being done in another school
10 district in our local area, Central School
11 District, and I'm not so sure just how many
12 other school districts are using it.

13 But to exemplify a little bit more on
14 what this is costing you, and I went to the
15 board, and the board I think after I explained
16 what the reality was of their bidding sequence
17 and their notifications, I think they agreed
18 with me that this was not a very good fiduciary
19 action that they may have done.

20 You know, I think what happens is
21 they hire an architect, and then they leave the
22 hands -- they leave the solicitation in the
23 hands of the architect, which the least costly
24 way is to put it on the Internet, and then the
25 architect usually has their so-called pet

1 contractors, and that happens in the industry.

2 In this particular project right
3 here, you know, you save \$1500 or \$2,000. And
4 I don't know what a notice cost. I really
5 don't. I'm just pulling that out, but if it
6 does cost 1500 or \$2,000 to solicit through the
7 print media and they get a contractor from out
8 of state, I mean, just the mobilization cost
9 alone is probably -- what? 12 pieces of
10 equipment, \$1200 a piece. You got \$15,000
11 alone in mobilization costs. I mean, and per
12 diem for employees for moving them into the
13 area for the week, room and board, that's
14 significant costs. Over a four-month project,
15 you got 40 to -- who knows -- \$80,000 in
16 additional costs.

17 REPRESENTATIVE MALONEY: Yeah, I'm
18 aware of that.

19 MR. BOWER: I'm not sure if I
20 answered your question but --

21 REPRESENTATIVE MALONEY: You probably
22 -- actually you didn't, but I'll actually say
23 that I understand, you know, that we have to
24 have even clearances for employees. There has
25 to be lodging for those that come out of state.

1 I understand the dynamic of that.

2 I guess really what my concern is is
3 are you saying to me that the architect who
4 really was involved in this project was given
5 the ability to ask the school for the waiver or
6 the school put it forth for the waiver?

7 MR. BOWER: I can't. I can't say
8 that.

9 MS. HENNING: Can I speak to that
10 just briefly?

11 REPRESENTATIVE MALONEY: Yeah, sure.

12 MS. HENNING: The Education Mandate
13 Waiver Program was part of the -- correct me if
14 I'm wrong -- Empowerment Act. It expired last
15 session, although there have been bills
16 introduced to revive it.

17 Prior to its expiration, dozens, a
18 very significant number, of school districts
19 across the state applied for and received
20 mandate waivers to cease print advertisement
21 and move solely to district Web sites and other
22 publications.

23 It's my understanding that the
24 Department of Education takes the position that
25 those waivers, if granted prior to the

1 expiration, are never ending. This district
2 seems to have changed its course, but there are
3 a significant number of them out there, and we
4 can easily get you that list.

5 MR. MALONEY: All right. Thank you.

6 CHAIRMAN CREIGHTON: Okay. Thank
7 you.

8 Can I have the next group come up:
9 Elam Herr, Brinda Carroll, Ronald Grutza,
10 Hannah Stahle, and Army Sturges? Excuse me,
11 Brinda Carroll Penyak.

12 Elam, are you the coordinator of this
13 esteemed group?

14 MR. HERR: That esteemed group I'm
15 the coordinator, yes.

16 First of all, I want to --

17 CHAIRMAN CREIGHTON: Go ahead. Thank
18 you.

19 MR. HERR: My name is Elam Herr. I'm
20 the assistant executive director for the State
21 Association of Township Supervisors, and the
22 first thing I want to say is I apologize. I
23 have a cough that I just can't get rid of, so
24 please bear with me with my voice.

25 We will keep this -- all of us here

1 today, we'll keep this relatively short in that
2 we will summarize our comments.

3 You have before you our written
4 comments, and as we proceed forward, we would
5 be more than willing to also provide additional
6 comments in response to House Bill 633.

7 We believe that the bill is a
8 reasonable alternative to the current legal
9 advertising requirements that municipalities
10 would like to have, and it's an option that is
11 out there.

12 And some of the questions that were
13 asked of the last panel would be the way that
14 we feel legislation should go. Let the
15 municipalities, let the school districts have
16 the option to look at what is best to get the
17 information out.

18 The whole concept of what we are
19 doing is to get information out to our members,
20 and today it is changing. The electronic media
21 that is out there is the way that the people
22 are going.

23 I am one of the dinosaurs. I still
24 read the paper, but I can tell you in my
25 immediate staff that works for me, they

1 classify me as a dinosaur because they are on
2 the Web and everything else.

3 At home, my children do not look at
4 the paper or read the paper. They get
5 everything off the Web. As a matter of fact,
6 I'll give you a quick story from last Sunday
7 when I noticed that my son, who is in college,
8 was actually looking at the newspaper. I asked
9 him what he was doing. He said what do you
10 mean? I said you're reading the paper. He
11 said, no, I'm wasting time while the microwave
12 finishes. He gets his information through the
13 Web. That is where everything is going today.

14 Also, the way the system is today,
15 things are changing. The search engines that
16 are out there to be able to get the information
17 is becoming more relevant and prevalent.

18 Also, municipalities and townships --
19 and I do have a lot of small townships today
20 that do not have Web sites, so they would not
21 be able to comply with the bill, and they would
22 stick with the situation. But on the other
23 side of the issue, those that do have Web sites
24 are doing what is being proposed already in
25 this bill. They're doing it on their own.

1 It's not mandated at this time because the law,
2 as written, did not look or even assume that we
3 would be at this position that we are today.

4 What it is is the times are changing.
5 When the law was written, again, we just had
6 newspapers, and if you think about it, if you
7 go back a couple hundred years ago, we didn't
8 have newspapers. We had town criers.

9 And things change, and that's what
10 we're looking for is to try to keep up the
11 change without hindering the public's right to
12 get the information in a reasonable time.

13 Will there be problems out there?
14 Yes, we'll always see problems out there. We
15 have problems today with the media. If we get
16 the information to the media at the appropriate
17 time but it doesn't get put into the paper when
18 it's supposed to, there's a problem, and we
19 have to go back.

20 We're not asking for the advertising
21 and bidding requirements to be changed. What
22 we're saying is just allow us to use those same
23 requirements with the new type of media that we
24 have today.

25 A couple things that were mentioned

1 by the last panel and just to bring it to the
2 forefront, there is a cost factor, yes. In
3 some cases the cost factor may not be that much
4 different to a particular municipality, but
5 there was a study done by a group not
6 affiliated with the municipality associations
7 or their members that said there is about \$26
8 million annually. Well, that may not be too
9 high a figure when you look at the entire
10 budgets of municipal and school districts, but
11 it is still a high number, and if the
12 municipalities can still get the information
13 out with saving that type of money, it is a
14 benefit.

15 Before I turn it over to Brinda,
16 who's sitting next to me, just a couple
17 comments that I want to make that I thought in
18 some of the response that the previous panel
19 made went a little bit too far, because
20 they -- one statement was that the local
21 governments and municipalities should be
22 embarrassed to be asking for this.

23 Well, on many other hand, should the
24 news media or print media be embarrassed to ask
25 for the state to have municipalities and school

1 districts subsidize them? Yes, there will be
2 people that will lose jobs, and I don't want
3 anybody to lose a job, but if people lose a job
4 in one area, will another area pick up in the
5 media, electronic media, side of it?

6 The other side of it is also maybe in
7 time, as this progresses, you would have more
8 of a centralized type of a Web site to go to.
9 They already mentioned the one Web site that's
10 presently out there.

11 But look at it today. The
12 Pennsylvania Bulletin for the state is the
13 single one source that is used, and that's
14 online today. You still can get printed
15 copies, but you got to request them, otherwise
16 it's online, and if you want to find out
17 anything the state's doing, you have to go
18 there.

19 And, again, the one statement that
20 was made about people are trained and know
21 where to go, yes, I would say, again, the
22 dinosaur that's sitting here, I'm trained to
23 know where to go or where not to go if I don't
24 want to, but, again, the new generation that's
25 out there today knows where to go on the Web

1 sites, and they're the ones that are going to
2 be taking over for the rest of us down the
3 road. That is where we got to be starting to
4 look for is where the next generation is going
5 to be in order to get the information out and
6 also to be able to receive that information.

7 And then just finally before I give
8 up, just to again reemphasize the one issue, we
9 are not asking to change the advertising and
10 bidding requirements. This legislation and the
11 other legislation that is referenced between
12 here and in the Senate does not change those
13 requirements. We still have to meet them.

14 So, again, a statement that was made
15 that, you know, contact us, go online at 2
16 o'clock, get the bid, and then take it off,
17 that won't happen, and if it does happen, it's
18 illegal.

19 So with that, Mr. Chairman, when
20 we're done, I'll open myself to questions, but
21 I'll turn it over to Brinda. Thank you.

22 CHAIRMAN CREIGHTON: Brinda?

23 MS. PENYAK: Thank you. I'm Brinda
24 Carroll Penyak. I'm the deputy director of the
25 County Commissioners Association. I appreciate

□

1 the opportunity to be here as well.

2 I think that the big challenge will
3 be to not repeat anything that has already been
4 said or you've already seen in the written
5 testimony. So hopefully I won't do that.

6 I think one of the things that's
7 important for us to mention on behalf of
8 counties, we've sought this option for
9 electronic legal advertising for more than one
10 reason. Our costs of placement of legal ads
11 continue to increase, and, second, we think
12 electronic advertising can already reach a
13 wider audience, and over the coming years, more
14 and more folks will look to electronic means to
15 get their information.

16 I also have to say that many counties
17 are already using very robust Web sites to do a
18 variety of things. They're prepared for this
19 type of additional activity. The expense is
20 already there. It's already part of their
21 budgets. There are very good reasons why
22 they're using electronic means to get
23 information to their constituencies, and the
24 appreciation that we hear from our
25 constituencies in being able to find things

1 online I think has to be taken into account as
2 well.

3 You're never going to please
4 everybody. You're never going to cover every
5 single situation, but as Elam stressed, it is
6 an option, and counties, municipalities that
7 aren't able to do this or don't have the desire
8 to put the effort and the expense into it would
9 not have to do it. They would have to continue
10 to comply in the way that they have been up
11 until now.

12 There are things that counties do
13 that actually make information -- the ability
14 to obtain information easier. A lot of the Web
15 sites that counties host are searchable. A lot
16 of them use the RSS feeds where you can
17 subscribe to get information on any page that's
18 been changed. So that would come to you
19 automatically.

20 I know that CCAP as an organization
21 has been involved in the development of Web
22 sites for a lot of counties in Pennsylvania,
23 and we do use and encourage them to use the
24 best of technologies and, if they're going to
25 do these things, to put the right resources

1 into it doing it and to maintaining it.

2 We do have to publish notices for a
3 variety of reasons, and they can sometimes
4 require, given the media market, that we
5 advertise in more than one paper.

6 It may seem like a small amount of
7 money depending on what the figures do
8 ultimately present, but given the last nine
9 years of strain that counties have experienced,
10 especially in the areas of mandates that we are
11 required to carry out on behalf of the state,
12 counties have to look for every dime that we
13 can to find a way to be good stewards on behalf
14 of taxpayers, and we will continue to do that,
15 whether it's in this particular area or in
16 other areas. If there's something that we can
17 do less expensive, we believe that our
18 constituents would expect us to do that as
19 well.

20 We also reject the notion that we've
21 seen in some of the editorials that our motive
22 is legislation that would allow us to hide
23 business from the public. Our motive is
24 actually the exact opposite. We want to
25 improve public access. We want to make sure

□

1 that we're again meeting those demands with an
2 eye to the bottom line if we can do that in a
3 less expensive way.

4 I'm going to wrap it up here. Again,
5 I'm trying very hard not to repeat what you've
6 heard before.

7 While we do believe that cost is the
8 genuine issue, we think that that is made even
9 more onerous because we are captives to the
10 state, and we spend millions each year to
11 advertise the meetings, contract bid
12 availability, sheriff sales, all manner of
13 legal notices. Our member surveys and
14 anecdotal information that we hear from members
15 indicates that these costs have been steadily
16 increasing and that they are burdensome for
17 county budgets.

18 I would just like to close and pass
19 alone the microphone by saying that providing
20 counties and other local government units the
21 option to choose electronic publishing of legal
22 notices has a potential to save substantial
23 taxpayer dollars, cut the cost of purchasing
24 advertising, improve the dissemination of
25 notices, and we ask the committee for their

1 support.

2 I, like Elam, will be happy to answer
3 your questions.

4 CHAIRMAN CREIGHTON: Thank you,
5 Brinda.

6 We have Ronald Grutza. Will you
7 please take the stand?

8 MR. GRUTZA: Thank you, Chairman
9 Creighton and Chairman Freeman, members of the
10 House Local Government Committee.

11 My name is Ron Grutza. I'm assistant
12 director of government affairs at the Boroughs
13 Association, and our association has been
14 around now for 100 years, and we've been
15 serving just over 900 boroughs across the
16 commonwealth and many elected and appointed
17 officials who we're very proud to represent.

18 Very happy today to be here to talk a
19 little bit about House Bill 633, which we've
20 heard a little bit about here today already, so
21 I won't repeat any of the specifics there, but
22 I just want to touch on our legislative agenda
23 at the Boroughs Association, and this bill is
24 part of that legislative agenda, and what we're
25 focusing on part of that agenda is mandate

1 relief.

2 In this economy of tight budgets and
3 declining revenues, we are looking for any cost
4 savings that we can find for our members, and
5 our members have spoken, and we do have a
6 policy resolution supporting the type of bill
7 that Chairman Creighton has in House Bill 633.
8 So the cost savings would be real.

9 As Elam had mentioned, there was a
10 few years ago an estimated value placed on what
11 legal notices cost our members, and I think in
12 today's dollars it would be about \$29 million.
13 So these would be -- this would be significant
14 savings.

15 Now, of course, there would be costs
16 to run the sites. A lot of our members are
17 already doing that. More than, oh, 60-some
18 percent of our members have Internet Web sites.
19 So it's going to be a case-by-case basis.

20 We're just looking for an option, a
21 way to save money, and still reach the people
22 where they're at, and that's on the Internet.

23 And, you know, it's very ironic to
24 hear our friends in the print media minimize
25 any type of cost savings. They are the first

1 ones to hold our feet to the fire if there's
2 any wasting of taxpayer dollars, so I just find
3 that very ironic.

4 But the current scheme, the current
5 mandate scheme, is -- it's just very outdated.
6 Regardless of what you heard in the first
7 panel, I think everyone knows that the print
8 media is adapting and things are changing very
9 rapidly, and don't be fooled by the statistics
10 on the Internet.

11 If you look populationwide,
12 two -- I'll give you two statistics. It's in
13 my written comments there -- Harris
14 Interactive, they've been tracking this
15 Internet usage since the beginning back in the
16 '90s. They pegged it in 2009 at 80 percent of
17 Americans have access to the Internet.

18 Another organization that publishes a
19 yearly state-of-the-Internet, if you will,
20 report is the University of Southern
21 California, Annenberg School of Communications.
22 Their latest survey has it at 82 percent.

23 So this universe of Internet users,
24 as we all know, is expanding. It's not only
25 the Internet access, but also the type of

1 technology that we're using to get that
2 information, not only just one computer. We
3 might have two computers in a household. We
4 might have PDAs and wireless Internet
5 connections now. You're seeing an explosion of
6 that.

7 So really the way that this paradigm
8 shift is, it is incredible. So we definitely
9 need to have this ability to reach more people
10 and be more open at the same time and be cost
11 effective. We really need to look at this
12 mandate that we have.

13 And it's really interesting to point
14 out that -- you know, I looked at AARP's Web
15 site, and lest anybody think that their
16 membership does not use the Internet. They
17 even have an app. So that's very telling right
18 there.

19 But I just wanted to reiterate that
20 we need to build on what the General Assembly
21 has already passed. I mean, you are passing
22 bills that really bring the -- that bring the
23 laws and the way that we do business into the
24 21st century.

25 You are -- Act -- let's go back to

1 2006, Act 49 and Act 88. The one gave the
2 second-class township code the ability to
3 dispose of personal property online using
4 Internet auctions, and hopefully we'll have
5 that soon in the rest of the codes as well.
6 And Act 88 allowed for reverse auctions with
7 contracts. So these types of things are
8 forward thinking.

9 Also, next week you're going to be
10 considering a bill by the local government
11 commission which would allow them to publish
12 the local government codes which they're
13 currently required to print. You're going to
14 allow them at a cost savings to post it on an
15 Internet Web site. That's very forward
16 thinking, and we support that change to realize
17 where the people are getting their information,
18 and that's on the Internet.

19 Adding to that, what the Legislative
20 Reference Bureau did earlier this year through
21 the joint committee on documents, they changed
22 some regulations. As Elam had mentioned, the
23 Pennsylvania Bulletin and the Pennsylvania
24 Code, the way that the law was crafted there
25 was that the LRB was to provide the widest

1 possible dissemination of those two documents,
2 and for years the way that they achieved that
3 goal was through a printed copy of the bulletin
4 and the code, and they sent it out too many,
5 many governmental entities.

6 Well, with that change in regulation,
7 that has stopped. They no longer provide that
8 free copy, or at least they have the discretion
9 to, and they are -- the way that they changed
10 it just allowed them to provide electronic
11 copy, which they were already doing since 1996,
12 on the Internet, and their -- I believe that
13 their visits, they get about 500,000 hits per
14 month on those Web sites. So that's pretty
15 significant traffic.

16 So just to close up before I turn it
17 over to Amy, you know, we've seen a lot of
18 beans spilled on this issue over the past
19 several weeks from our friends on the editorial
20 boards, and, you know, they're -- they have a
21 vested interest in this, and lest nobody kid
22 themselves about that.

23 And what we need -- what we're asking
24 you, what our members are asking you, is that
25 profiles in courage. We're going to ask you to

1 vote this bill with some suggested amendments,
2 which we provided some written comments, and we
3 believe that this will not sacrifice
4 transparency.

5 We are in favor of having legal
6 notices to provide to our citizens an open
7 government or -- an informed citizenry is
8 important to our democracy, but we believe that
9 the citizens are on the Internet. We believe
10 that posting these legal notices on our Web
11 sites, if we already have it, is going to save
12 money.

13 So we'd ask you to support House Bill
14 633, and afterwards I'll be available for any
15 questions I might be able to answer.

16 CHAIRMAN CREIGHTON: Thank you.

17 Amy Sturges, please.

18 MS. STURGES: Thank you. Good
19 afternoon. I'm Amy Sturges. I'm the director
20 of governmental affairs for the State
21 Association of Township Commissioners and also
22 the League of Cities and Municipalities, and
23 together those two organizations represent over
24 150 urban communities across the Commonwealth,
25 and I am here on behalf of both organizations

1 supporting House Bill 633 and the authorization
2 for local government to use the Internet as
3 their primary medium for advertising notices.

4 Both PLCM and PSATC are open
5 advocates -- are advocates of open and
6 transparent government. They're also --
7 they're equal advocates for the use of
8 innovation and flexibility in local government
9 operations when it makes sense and when it can
10 save taxpayer dollars.

11 As the cost of doing business
12 continues to rise, local governments are
13 continually looking for ways to save taxpayers
14 money, and this is just one of a number of
15 mandates that we are looking to change within
16 state government, within our local laws
17 obviously.

18 We're also interested in increasing
19 the threshold for advertising bids and
20 reforming the collective bargaining laws and
21 the municipality pension laws and increasing
22 prevailing wage as well. So this is just one
23 of a number of different things we are working
24 to achieve.

25 Decades ago when the General Assembly

1 gave newspapers the ability to print our public
2 notices, that was the only thing available for
3 printing notices that would provide a wide
4 access to the public. And today the Internet
5 is upon us, and that is something that provides
6 the ability for public notices to be
7 advertised. It's viable, and it is at a much
8 lower cost to local governments.

9 Any movement by local government to
10 post notices online should be at -- should be a
11 local decision. The governing bodies need to
12 decide if it makes sense for their communities,
13 if their computer capacity, their Internet Web
14 site capacity, can handle it, or if they're
15 willing to make the changes necessary to do so.

16 And it would also be very important
17 for local government to be sure that they are
18 passing an ordinance to make sure that their
19 public is aware of what they are deciding to
20 do, and that gives the public the opportunity
21 to comment and let the governing bodies know if
22 they feel this is a good idea for their
23 community.

24 The local government entities should
25 also be following a certain standard procedure

1 if they do choose to put their public notices
2 online.

3 The House Bill 633 and both of the
4 Senate bills do have certain procedures that
5 all local governments must follow, and we think
6 that this is something that's very important
7 and that should be part of the legislation, and
8 whether those standards are put in place
9 through legislation or through policy and
10 procedures that are developed by an agency,
11 they should be followed, and it would be very
12 important for local government to have those,
13 and it would also be very important for the
14 public to be aware of what they are and know
15 that they're being followed by the local
16 governments.

17 It's our contention, PLCM and PSATC's
18 that the local government is responsible for
19 proper public notice to the citizens and the
20 business owners of that particular
21 municipality. Anyone outside of that
22 municipality certainly has the ability to know
23 what's going on, but the proper public notice
24 is for the citizens and the business owners.

25 So anyone outside of a municipality

1 that's interested in knowing what's happening
2 would have the ability to go online and find
3 out what public notices have been posted.
4 There's also the ability, as I believe one of
5 my colleagues said, to have notice by e-mail
6 when a change in a posting -- change in posting
7 occurs. So that would be a way to keep the
8 public outside of that particular municipality
9 aware of what's happening and what notices are
10 being posted.

11 In conclusion, I would just like to
12 say that all entities change with time, and
13 that includes the newspapers, and it includes
14 government. Print media turned to the Web when
15 readership decreased, and local government is
16 asking for the authorization to use the Web for
17 ease of access, prevalence in our society, and
18 cost effectiveness.

19 We're confident that local government
20 can continue to be open and can be -- that
21 openness in government can be maintained
22 through integration of public notices online.

23 The key is an authorization, not a
24 mandate, a set of clear policies and
25 procedures.

1 Thank you very much for allowing me
2 to testify today.

3 CHAIRMAN CREIGHTON: Thank you, Amy.

4 We have Hannah Stahle from the School
5 Boards Association.

6 MS. STAHLE: Thank you. My name is
7 Hannah Stahle, and I'm here today to represent
8 the Pennsylvania School Boards Association.

9 Thank you very much for allowing me
10 to testify today and express PSBA's support for
11 legislation such as House Bill 633 to give
12 school districts a broader range of options for
13 publishing their legal advertisements.

14 Like the panelists here today with
15 me, PSBA certainly recognizes and understands
16 the importance of advertising items such as the
17 time and location of school board meetings,
18 public hearings, publishing resolutions, and
19 bidding and purchasing requests. We understand
20 the significance of that, and the -- it serves
21 an essential purpose of keeping the public
22 informed as to school district proceedings, how
23 tax dollars are being spent, and we certainly
24 don't want to diminish that in any way.

25 However, as you have heard, the

1 mandate that local government's required to
2 publish these notices in newspapers is costly,
3 especially for school districts in these
4 difficult financial times. As you know, school
5 districts across the state are facing
6 challenges this year due to significant
7 reductions in funding for K to 12 education.
8 This includes the complete zeroing of the line
9 item for charter school reimbursement,
10 reduction in the amount of money for
11 Accountability Block Grant, also level funding
12 for special education for the third year in a
13 row.

14 We also have increasing employee
15 health and pension costs. We have a potential
16 tuition voucher program on the horizon.
17 There's the potential elimination of the Act 1
18 exceptions and also a predicted lower Act 1
19 index for next year.

20 So our school districts, many of
21 them, are facing significant budget deficits
22 right now, some of them millions of dollars,
23 and they're really being forced to cut
24 programs, educational programs, and staffing to
25 make sure that they have enough money in their

1 budgets to cover the mandates that they're
2 required to cover.

3 And for these districts and all of
4 our districts every dollar counts, and every
5 dollar that's spent on a legal mandate to
6 provide their advertising in the newspapers is
7 a dollar that can't be spent in the classroom
8 and that can't be used to save a program that
9 would otherwise be cut.

10 In some of the testimony that you
11 heard before, you know, some school districts
12 are spending a thousand dollars, \$4,000 a year
13 on legal advertising. That sounds like an
14 insignificant amount of money, but in reality
15 that could be enough money to save an
16 after-school tutoring program or something of
17 that nature that won't exist next year with the
18 current state of the school district budgets.

19 There was a study done a few years
20 ago, a survey, by Penn State University. Over
21 281 school districts responded to the survey,
22 and they found that over three years they would
23 save -- each district spent over \$22,000 on
24 legal advertising costs, which again sounds
25 insignificant, but really to the school

1 districts it isn't, and we can't really
2 minimize that cost.

3 Additionally -- and the last panel
4 mentioned -- some of the mandate waivers that
5 have been used under the Department of
6 Education's Mandate Waiver Program, which had
7 since expired, but if you just look in 2009,
8 for example, there were several districts that
9 applied for and were granted waivers from the
10 Department of Education to publish their
11 notices on their Web sites or in community
12 papers as opposed to the newspapers, and a
13 combined total of savings for these school
14 districts would be about \$60,000, which is a
15 lot of money.

16 Just a few other points. We
17 certainly are in support of House Bill 633.
18 Again, just to reiterate, we like the
19 flexibility.

20 Some of our school districts
21 certainly may decide that newspapers is the
22 best way to provide their legal advertisements,
23 and that's fine. However, some of them that
24 have more robust Web sites that are publishing
25 on these Web sites already, publishing notice

1 of their meetings and their budgets and that,
2 this might be a better option for them. We
3 just want them to have the options to do that.

4 We're also supportive of legislation
5 that gives school districts the ability to
6 choose from an even more broad menu of options
7 to fulfill these requirements such as allowing
8 them the option to advertise in newspapers
9 printed in or circulating in the school
10 district, community papers, or even posting
11 information on the central Web site that sort
12 of collects all of the information for all
13 school districts certainly in addition to the
14 options of government or school district Web
15 sites and newspapers.

16 This would really give our school
17 districts the broadest flexibility to determine
18 what is the most effective and least expensive
19 mechanism for providing the required legal
20 advertising in their individual community.

21 In conclusion, just -- with all the
22 economic challenges that our school districts
23 are facing right now, relieving them of this
24 mandate to publish their advertising solely in
25 newspapers and granting them greater options

1 would save valuable dollars that could be used
2 in the classroom where it's most needed right
3 now and could potentially save some of the
4 programs that are on the chopping block right
5 now.

6 Additionally, allowing publication of
7 these notices on our Web site would allow our
8 districts to reach and involve far more
9 individuals in their community than just those
10 who subscribe to or purchase a certain
11 newspaper.

12 Finally, the bottom line is this
13 would save our districts money. It's a
14 flexible approach. Not everybody's going to do
15 it, but we just want to give our school
16 districts options in this time to save the
17 money if it's the right fit for the district
18 and their community.

19 Thank you.

20 CHAIRMAN CREIGHTON: Thank you to
21 each of the presenters.

22 I'd like to turn it over to
23 questions.

24 Representative Hickernell?

25 REPRESENTATIVE HICKERNELL: Thank

1 you, Mr. Chairman.

2 I think I'll direct this question to
3 Ron and Elam. We heard from one of the
4 previous speakers on the prior panel that in
5 his area the average municipality paid about
6 \$2800 a year to advertise public notices in his
7 paper.

8 I took an opportunity a couple weeks
9 ago to send an e-mail to all the borough and
10 township managers in the district I represent.
11 I represent ten municipalities. Seven of the
12 ten responded to my question. My question was
13 how much did you spend in 2010 on legal
14 advertising in your municipality? The high
15 number that I got back was 12,500. The low
16 number was 5,000. The average came out to be
17 9300.

18 I guess my question to Elam and Ron
19 would be, you know, what is the average cost
20 per municipality? And I'm asking specifically
21 borough and township because I only have
22 boroughs and townships that I represent.

23 I'm trying to figure out, you know,
24 whether my municipalities are high or whether
25 that \$2800 figure is low when you look across

1 the state. Thanks.

2 MR. HERR: I'll start and let Ron
3 jump in then.

4 I don't know if we can really come up
5 with an average across the state. As the one
6 gentleman in the previous panel said, he had to
7 look at the circumstances of the area and what
8 is being proposed.

9 We did a similar type of survey a
10 couple years ago when we were looking at the
11 predecessors to this legislation, and the same
12 thing came back in. We had some municipalities
13 that had several hundred dollars, small
14 municipalities had, just basically advertising
15 their meeting notices and a couple things like
16 that to those that were, you know, tens of
17 thousands of dollars depending on what was
18 happening to that municipality, that township,
19 during that year's time.

20 So the numbers that were given to you
21 probably are fairly accurate numbers for your
22 district and that area for what is transpiring,
23 but to go across the board and say whether it's
24 \$2800 or \$10,000 per municipality, I think that
25 would be just a leap of faith.

□

1 Ron?

2 MR. GRUTZA: Representative, our
3 association does not have a comprehensive study
4 of all of our members on legal advertising
5 costs, but I think that in your area, like Elam
6 said, it's going to depend on a lot of
7 different factors, population, and what type of
8 activities are going on at the local
9 government, so -- and, of course, your media
10 market and what those rates are going to be.
11 You know, it's going to vary from different
12 parts of the state.

13 So I think that your very informal
14 survey is very telling on what that mandated
15 cost is to those boroughs and townships who
16 basically are the taxpayers. So I would just
17 urge you to look at it from that perspective.

18 CHAIRMAN CREIGHTON: Chairman Bob
19 Freeman.

20 CHAIRMAN FREEMAN: Thank you,
21 Mr. Chairman. Thank you all for your testimony
22 as well.

23 I think it was Elam who cited a study
24 that said that the cost of advertising's about
25 26 million is it annually or 29 million is

1 Ron's concept.

2 MR. HERR: The study which was
3 conducted a couple of years ago actually said
4 \$26 million annually. I think Ron just took
5 that number and --

6 MR. GRUTZA: Indexed it.

7 MR. HERR: -- indexed it for today,
8 but the study was done by Penn State.

9 CHAIRMAN FREEMAN: Are you aware in
10 that state of the breakdown as to how much of
11 it was legal notices, how much of it was other
12 types of notices that would not necessarily
13 fall under the jurisdiction of this
14 legislation?

15 MR. HERR: Sitting here, I cannot
16 tell you that. I'd have to look at the study
17 per se.

18 CHAIRMAN FREEMAN: Okay. And you
19 don't know offhand, getting to the issue raised
20 by Mr. Till, that -- I think he cited the
21 figure that The Express-Times has roughly 1.2
22 million in legal notice ads, but roughly 950 or
23 960,000 are actually sheriff's sales which
24 aren't really borne by the county because
25 that's a pass-through cost.

□

1 MR. HERR: I'd have to turn that over
2 to Brinda because that's a county issue and --

3 CHAIRMAN FREEMAN: Well, what I was
4 wondering is of that 26 million, how much of
5 that would be sheriff sale pass-through.

6 MR. HERR: Without having the study
7 in front of me, I cannot answer that question.

8 CHAIRMAN FREEMAN: Okay. If you can
9 supply us with the study, that will be helpful.

10 MR. HERR: We'll check into that and
11 work with Brinda to make sure you and the
12 Chairman get the response.

13 CHAIRMAN FREEMAN: Thank you very
14 much.

15 Brinda, I do want to ask you a
16 question too. In your testimony you mentioned
17 that the advertising has become a rising cost
18 for counties. In regard to that, is that
19 related to the price that's charged by
20 newspapers or the fact that counties are
21 advertising more because of a busier county
22 activity schedule? What's the driving factor?

23 MS. PENYAK: Our members have
24 reported to us that the cost of advertising,
25 the cost charged by newspapers, have been

1 increasing and increasing in some markets
2 pretty substantially.

3 CHAIRMAN FREEMAN: But does some of
4 that increase also reflect the fact that a lot
5 of counties, particularly counties, say, in the
6 path of development, might be in a position to
7 have to have more legal notices or provide more
8 legal notices just because they're busier than
9 they were five, ten years ago?

10 MS. PENYAK: We haven't heard that.
11 Our members were really responding to rates,
12 and that's the information being reported to
13 us, that there was dramatic increase in the
14 rates that were being charged particularly in
15 certain media markets.

16 CHAIRMAN FREEMAN: Okay. Thank you.

17 And, Ron, I think you stated a survey
18 that said that 80 percent or 82 percent of
19 Americans claimed having access to Internet
20 services?

21 MR. GRUTZA: Yes. Yeah, that was the
22 University of Southern California, Annenberg
23 School of Communications.

24 CHAIRMAN FREEMAN: And do you have
25 any idea how that breaks down for the state of

1 Pennsylvania, what percentage?

2 MR. GRUTZA: It didn't break down
3 state by state, no.

4 CHAIRMAN FREEMAN: Okay. And in the
5 survey, when they referred to having access,
6 did that mean they actually had a computer or
7 they had ways of obtaining access to a
8 computer?

9 MR. GRUTZA: I believe that it wasn't
10 necessarily access but that they used the
11 Internet.

12 CHAIRMAN FREEMAN: Oh, okay. So --

13 MR. GRUTZA: But I can get you --
14 provide you with further specifics on that.

15 CHAIRMAN FREEMAN: Yeah, that would
16 be helpful. Thank you. Yeah, just to break it
17 down, if you can, as to do they, in fact, have
18 a computer themselves? Do they periodically go
19 to the library? Do they have friends that have
20 computers? How does that break down as far as
21 their access to the Internet services?

22 Finally, we've talked a lot about
23 information technology costs. On average, of
24 your membership, what percentage currently use
25 Web sites would you say as a ballpark figure?

1 MS. PENYAK: Nearly all of ours. I
2 think there may only be one or two that don't
3 have fairly robust Web sites.

4 MR. HERR: I don't have an answer for
5 that. I just know that more are getting Web
6 sites and putting them up. We can try to get
7 that information for you.

8 MS. STAHLE: Apparently all 500 of
9 our school districts maintain their own Web
10 site. So everybody has one.

11 MR. GRUTZA: Last time I checked, our
12 membership's around 65 percent that have and
13 maintain Internet Web sites.

14 MS. STURGES: Most of our members do
15 have a Web site. Its robustness I can't judge,
16 but the majority of them do.

17 CHAIRMAN FREEMAN: And can you speak
18 to the sophistication of those sites? One of
19 the issues raised again by Mr. Till was the
20 fact that the newspapers have a redundancy
21 system, have a backup system, which obviously
22 would cost more in terms of IT costs.

23 Now, I would imagine since the
24 current Web sites being used by most local
25 governments are not used for public notices,

1 that they may not have extended the costs for
2 that kind of backup system that would probably
3 be a safe, fail-safe.

4 Any idea how many have redundancy
5 systems?

6 MR. HERR: Well, first of all, a lot
7 of municipalities that are doing it are putting
8 on meeting notices and everything else because
9 it's an easy way to go to. Whether they have
10 the redundancy built in at this time, that is a
11 question we'd have to check because it's not
12 mandated. They are doing that above and
13 beyond.

14 CHAIRMAN FREEMAN: Right, I
15 understand.

16 MR. HERR: So for me to sit here and
17 say that they have built this in -- they may
18 have built a redundancy in because of other
19 needs -- I won't say requirements -- needs that
20 they want to find out what is happening, what's
21 going on.

22 We do have some townships,
23 although -- you know, again, our membership
24 goes from very small to very large
25 municipalities or townships, but we have some

1 Web sites that will compete with any that have
2 the information on there. It's updated on a
3 frequent basis.

4 And the other thing to keep in mind
5 when you get a print media, you get that daily
6 if you're on daily subscription. You go onto
7 the Web, you can get that 24 hours a day
8 whenever you feel like being on it.

9 And again I'll pick on my son, who's
10 a college student. He's on at times when the
11 rest -- a lot of us in this room are sleeping,
12 but he's getting his information that way, and
13 I would say he and a lot of others are getting
14 their information by the Web because it is a
15 24-hour, easy accessible type of media to get
16 the information. It's just how we are
17 progressing.

18 CHAIRMAN FREEMAN: In line with that,
19 given the fact that there is still a segment of
20 the population that does not have access to the
21 Web or doesn't have computers or any means of
22 obtaining it on their own, if this were to
23 become law, how would those individuals access
24 notice of meetings and other public notices?

25 Currently they can go and buy a paper

1 and look at the paper.

2 MR. HERR: Yeah. Again, if they get
3 a paper delivered to their home, they have the
4 access to do it. If they don't, they have the
5 ability of going down to the newsstand or the
6 7-Elevens and purchasing a paper there, or they
7 can go to a public library or some other means
8 where the paper is available to them.

9 That's no different than somebody
10 using the media. If they don't have the
11 ability in their own house, they have the
12 ability also to go down to the library and use
13 a terminal, you know, sitting --

14 CHAIRMAN FREEMAN: If they have a
15 public library.

16 MR. HERR: Well, if they have a
17 public library, but there's other means that
18 they could also get too.

19 The question is, you know, having
20 access to it and taking advantage of it are two
21 different things. The question is a paper
22 delivered to my house does not necessarily mean
23 I will read it or I will read the legal notices
24 in the paper. It means I have access to it.

25 The same thing, a lot with the Web.

1 There are means to get access to the Web that's
2 out there.

3 CHAIRMAN FREEMAN: Okay. Thank you
4 for your testimony.

5 CHAIRMAN CREIGHTON: Representative
6 Dunbar?

7 REPRESENTATIVE DUNBAR: Thank you,
8 Mr. Chairman, and thank you to all of our
9 testimony today.

10 Many of you used the word choice, and
11 as we know, the bill does say may, does not say
12 shall, as far as may use to advertise, may use
13 the Internet as a form of advertising.

14 I just want to get a good grasp of
15 how you think your members are going to utilize
16 that. Now, I know Ron, you had said 65 percent
17 of your members presently have Web sites, and,
18 Amy, you said most.

19 Of those that don't have Web sites,
20 do you anticipate them doing that? because I
21 would like to see some consistency, because if
22 we have some in paper, some on Internet, it's
23 going to be relatively confusing to tell you
24 the truth.

25 And so I would like to know what your

1 members are anticipating doing, and also if any
2 of your members have had any discussions, if
3 this bill does become law, the may provision,
4 are they still planning on putting some
5 advertisements in the paper, or are they
6 planning on having everything on the Internet?

7 Thank you.

8 MR. GRUTZA: I'm letting you start.

9 MS. STURGES: From the perspective of
10 my membership, I think that because the
11 majority do have Web sites and the majority of
12 those Web sites are in pretty good shape, I
13 think that a number of them will take advantage
14 of this, but I do think each governing body
15 will have to weigh whether or not it makes
16 sense. Do they need to upgrade their Web site?
17 Are they interested in following, as I
18 discussed, the standards or the policies and
19 procedures that I believe would be part of this
20 legislation or would be concurrent with the
21 legislation.

22 So I really think it's going to be on
23 a case-by-case basis especially at the
24 beginning if they have this option, and as time
25 goes by and it gets easier for municipalities

1 to see exactly what needs to be done and that
2 others have done it, more will go to posting
3 online.

4 And then in terms of what notices
5 they will definitely post and would they make a
6 decision to put something in the newspaper, I
7 think that will also be on a case-by-case
8 basis. When the governing body decides that
9 there's something that they must advertise in
10 the newspaper in addition to online, then they
11 would have the option to do that, but to be
12 able to say when that would happen exactly, I
13 really can't.

14 MR. HERR: Representative Dunbar,
15 just to follow up on that, and Amy hit a number
16 of good points, but in discussion on this, a
17 number of our members who have the Web sites
18 and presently are doing both said that most
19 likely they would continue doing both, like for
20 meeting notices and that, until the comfort
21 level gets to a point where more people are
22 onto the Web site, because again at this point
23 in time it is voluntary. So they are already
24 advertising in the paper. They're not sure
25 whether you found that by the print or the Web.

□

1 Others who at this time do not have
2 it indicated that that probably would be the
3 way if they decided to, but again, as Amy said,
4 this would be on a case-by-case basis.

5 I think again looking at my
6 membership, you're going to have a lot of
7 smaller municipalities that do not advertise
8 that frequently in their papers that would
9 continue to do so because that would be to the
10 best of their advantage.

11 So that is one reason why we are
12 saying that we support the concept of having it
13 as a may provision, because you don't want to
14 force those municipalities that feel that the
15 news media or the print media is the best means
16 to get the information out to their citizens
17 and residents.

18 MR. STURGES: Just to follow up on
19 that, Representative, most of our members that
20 don't maintain Internet Web sites, they're not
21 going to -- I think for the most part they're
22 the smaller -- they're at the smaller end of
23 the legal notice spectrum. So their costs are
24 going to be -- it probably wouldn't be on a
25 cost-benefit relationship there. It's going to

1 cost them more to establish an Internet Web
2 site, so it's not going to make sense for them.

3 But for our members that do have Web
4 sites already, this might be something that
5 they're going to take advantage of.

6 Now, I can say about the current
7 scheme, as Elam had mentioned, some of our
8 members are doing both, and they are putting it
9 on their Web site, or if it's something like a
10 contract, they're just checking the box and
11 putting it in the newspaper or general
12 circulation because that's what the mandate
13 says, and maybe we're going to some other third
14 party where we can increase our bids and
15 that's -- that certainly is open to us in the
16 current regulatory scheme, but I could see that
17 continuing even if you have Internet Web sites.

18 And, of course, with the whole search
19 thing, I mean, the way that things are set up,
20 if a contractor is pretty sophisticated -- and
21 I have full confidence that a good businessman
22 does search that way -- there are many ways to
23 set up Google to search through these things,
24 so -- and, of course, there are some other
25 proposals that have the state agency housing

1 these things and sorting through them. So
2 we're open to those types of options too.

3 CHAIRMAN CREIGHTON: Representative
4 -- yes. Representative Maloney?

5 REPRESENTATIVE MALONEY: Thank you,
6 Mr. Chairman.

7 I think I'm just having some trouble
8 reconciling some of this. I know it was
9 previously asked, and I know it relates to the
10 previous panel in one of the questions that I
11 asked, but I believe it's -- three of you have
12 used the same figure of \$26 million annually
13 and then one that was referred to a little
14 earlier as 29 million.

15 But I think what I am having trouble
16 with is if this is \$26 million annually and
17 also we're seeing that a little over half of
18 the school districts, being 281, their average
19 was \$22,000 a year, but then with mandate
20 relief it states that they save 60,000 a year,
21 I guess my trouble is the math. It's kind of
22 like a political thing. It's kind of like
23 saying you have a surplus of money when you're
24 in debt. You know, I just can't reconcile
25 that. So that's what I'm having trouble with.

1 MS. STAHL: Just to clarify, the
2 figure, the \$22,000, that's over a period of
3 three years. So that's not per year. So that
4 sort of probably helps a bit.

5 REPRESENTATIVE MALONEY: So the
6 disparity is really in the fact that one of
7 these is a three-year period, but I believe the
8 twenty -- I guess the 281 school districts
9 coming down to 22,000 and the 60,000 a year
10 still doesn't add up to me

11 MS. STAHL: Well, the school
12 districts -- those are the school districts
13 that in 2009 requested a Mandate Waiver,
14 particularly for this provision, allowing them
15 to publish their legal advertisements on their
16 Web sites or in community papers.

17 Their estimates of the cost frame,
18 you know, from -- you know, I don't know. I
19 think the lowest one was about \$5,000 upwards
20 to I think \$13,000, and I think it just
21 depended again on what was happening to those
22 school districts at that time, whether they
23 were building, whether they had a lot of
24 purchases.

25 So I think that's where you're seeing

1 the range, but that was the total combination
2 of the anticipated savings for those school
3 districts that requested and were approved for
4 the mandate waivers in 2009 for that provision.

5 REPRESENTATIVE MALONEY: Well, thank
6 you. I guess I just -- it's just still not
7 clear to me that we have averages that are so
8 low, and yet we have a \$26 million reported
9 study. So I think if that could get cleared up
10 for me, you know, I could understand it a whole
11 lot better.

12 Thank you.

13 CHAIRMAN CREIGHTON: Representative
14 Truitt?

15 REPRESENTATIVE TRUITT: Thank you,
16 Mr. Chairman.

17 One of my questions was already
18 answered, and the other one was partially
19 answered. So I'll be pretty brief here.

20 The one thing that really jumped out
21 at me was the statistic that 100 percent of the
22 school districts have a Web site, and I was
23 going to ask about the municipalities and the
24 boroughs and the counties and so forth, and I
25 kind of got the answer to that question, but if

1 you guys are going to go back and collect any
2 of that data, it would be interesting to know
3 out of those Web sites how many of them have
4 backups and things like that or how many of
5 them are self-hosted versus hosted by an
6 outside provider where all of that backup kind
7 of thing, stuff like that's done automatically
8 for them.

9 That's really just a comment, because
10 I don't think you guys have the answer to that
11 question. If you do, go ahead and say so.

12 Thank you.

13 CHAIRMAN CREIGHTON: Jerry Knowles?

14 REPRESENTATIVE KNOWLES: Thank you,
15 Mr. Chairman.

16 I think I'm going to follow
17 Representative Hickernell's lead. I think that
18 was a good idea what he did in terms of -- it's
19 been a busy time with the budget for all of us,
20 but I think I intend to reach out to all of my
21 -- to both of my counties as well as my
22 townships and my boroughs to see how much they
23 have spent.

24 I guess -- again, I said that we're
25 hearing from both sides and, indeed, we are,

1 but I haven't really heard a lot from my own
2 local townships, and I know they're all
3 volunteers, and I know that they're busy in
4 their lives and that kind of thing, and they
5 don't follow this stuff as closely as we do.

6 Brinda, I know that the -- and I
7 can't see you because of the -- but I know that
8 the county commissioners before each
9 legislative session do their list of
10 priorities, and I would assume that the other
11 organizations that are represented at the table
12 do the same.

13 Has this issue been listed in your
14 list of priorities for this current legislative
15 session?

16 MS. PENYAK: Yes, Representative
17 Knowles. As a matter of fact, it's been kind
18 of interesting this session. The last several
19 we've seen budget and taxpayers take the
20 number-one and number-two spots. This year
21 mandate relief took the number-one spot, and
22 one of the number-one initiatives under mandate
23 relief was electronic advertising and finding
24 other means and other options for counties to
25 save money.

1 Mandate relief spans a whole variety
2 of things, and as some of the other panelists
3 have said, it encapsulates more than one thing.
4 There isn't a single area of mandate relief
5 that is going to provide the kind of tax
6 savings for our constituents that we would like
7 to see, but it's a group of things, and our
8 members wholeheartedly voted this issue along
9 with the rest of their mandate relief agenda as
10 their number one for this year. And I know
11 that they've been spending a fair amount of
12 time conveying that, and if they haven't, we'll
13 let them know that they need to get in touch.

14 CHAIRMAN CREIGHTON: Okay. Seeing no
15 further questions -- oh, Frank, go ahead.

16 REPRESENTATIVE FARRY: Just --

17 REPRESENTATIVE KNOWLES:

18 Mr. Chairman, could -- I just -- I'm sorry, I
19 just wanted to hear from Elam and the others if
20 they could comment, if I may, sir.

21 CHAIRMAN CREIGHTON: Sure.

22 MR. HERR: I'll make it real short.
23 I can't improve on what Brinda just told you.
24 It is a major policy for mandate relief, and
25 she expounded upon it very well.

1 MS. STAHLE: Same. As mandate
2 relief, it's the big -- the big-ticket item
3 right now for school districts facing the
4 financial challenges that we are in, and this
5 is one piece of a larger package of items that
6 we would like to see for our schools.

7 MR. GRUTZA: Representative, that's
8 -- I could just say the same thing. It's
9 definitely on our priority list of the
10 association for legislative -- for this
11 legislative session.

12 Our members have endorsed this by
13 means of a policy resolution. When they come
14 to our annual convention, we pass policy
15 resolutions, and we do have standing
16 resolutions supporting this.

17 MS. STURGES: And that goes for the
18 Township Commissioners and League of Cities as
19 well.

20 CHAIRMAN CREIGHTON: Representative
21 Farry?

22 REPRESENTATIVE FARRY: Thank you,
23 Chairman.

24 My question relates to this:
25 Currently there are trade organizations that

1 pull all the legal notices out and send them to
2 the contractors that subscribe to them so that
3 they don't miss any publicly bid projects.

4 Obviously I'm sure these trade
5 organizations who had developed this are
6 checking the Web sites and kind of follow the
7 same paths.

8 I guess one of my concerns, as we
9 heard Mr. Bower's testimony earlier about he
10 missed an opportunity to bid on a local
11 project, and he very well may have been the low
12 bidder.

13 I just would like to get some of your
14 feedback on that because in the event that one
15 contractor that could have been low bid misses
16 bidding on a project, the savings you generate
17 through not having to pay for the advertising
18 could be lost ten fold, so -- both during the
19 transition time as well as the long term. I'd
20 like to get your thoughts on that.

21 MR. HERR: Well, the same thing could
22 happen with the newspaper. The contractor may
23 be from outside the area where it's being
24 published. The law right now says in a paper
25 of general circulation within the municipality

1 or county or school district. So if a
2 contractor that would be outside and doesn't
3 get the newspaper, theoretically they could
4 have been the lowest bidder, but they didn't
5 know about it.

6 With the possibility of the Web,
7 there is, we feel, a greater chance and greater
8 exposure that, you know, not only the locals,
9 but as you get further away, will also have the
10 ability to do it.

11 Now, granted, the statement was
12 made it wasn't a local firm that got it.
13 Taxes, payments to the employees were not
14 there. It went to some outside company.
15 That's true, but that's happening a lot more in
16 everything today. People have access to come
17 and go. Again, that's a part of the change
18 that's happening out there.

19 So is it a perfect system? No. Is
20 today's system perfect? No. All we're trying
21 to do is get more exposure out there, keep the
22 transparency the way it is or better, and so
23 that both the municipality or local governments
24 and their citizens know what is transpiring
25 within their community.

1 MR. GRUTZA: Representative, I'll
2 just comment on the way that that Mandate
3 Waiver or basically the Mandate Waiver was
4 given. That waiver is set up. And only that's
5 one, one school district, or there were several
6 school districts that received that type of
7 Mandate Waiver out of 500. That is done on a
8 case-by-case basis, and it's set up -- I can
9 assure you that they had a waiver from those
10 general -- from the current mandate to place it
11 on the Internet, but the safeguards that
12 Representative Creighton has in House Bill 633
13 were not there.

14 So I think that if you set up a
15 system like this -- I mean, you can't compare
16 that one isolated situation with a system that
17 could be under potentially if House Bill 633 is
18 enacted. I think that something like that,
19 people are going to know the rules of the game,
20 contractors, and we're supportive of adding
21 some type of provision in there -- it's in my
22 written comments -- that would -- before you
23 made that switch that you did place some type
24 of notice in the newspaper general circulation
25 to let some people know that this would

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1 be -- this would be done.

2 Also, it's in our best interest to
3 get as many bids for contracts as well, and so
4 we're going to make sure that all of our
5 contractors, local and electronically, that
6 they have the access to our bids. So hopefully
7 if we move to a system like that, everyone
8 could know what the rules of the game are and
9 that, you know, we're shifting.

10 Now we've had the current system now
11 for decades and decades. You know, as Elam
12 mentioned, the town crier. We had to make that
13 shift there. We think that we're going to make
14 a shift here, and we urge you to support the
15 bill.

16 CHAIRMAN CREIGHTON: Now, if the
17 Local Government Committee would just stay
18 seated, Teri, do you have your rebuttal? Well,
19 you're the spokesman for the newspapers. Do
20 you have a rebuttal?

21 MS. HENNING: I believe at least two
22 of our members plan to have rebuttal.

23 CHAIRMAN CREIGHTON: Do you mind
24 standing or coming -- can you use the mike?

25 MR. TILL: Thank you. My comments

1 are -- I'll keep them simple.

2 First of all, again, in terms of
3 calling newspaper readers dinosaurs, most of
4 them are actually highly educated, still
5 relatively young, and affluent people, and,
6 again, remember that more people read the
7 newspaper every day than watch the Super Bowl.
8 So we're not dead yet.

9 One of the things I just wanted to
10 point out, we're talking about a \$26 million
11 savings, but we have no idea how many Web sites
12 are currently in place, what their capabilities
13 are. We actually don't even know what's being
14 spent because we don't know what the boroughs
15 have spent. We don't know what the averages
16 are. We don't know -- we really don't have
17 numbers to say we're going to save this. So I
18 would -- I would argue pretty heavily that we
19 don't know.

20 The other thing we don't know is if a
21 borough creates a Web site, they have to staff
22 it. A lot of boroughs have part-time people,
23 volunteers, and so on. So now we've got to do
24 a Web site.

25 The other thing to remember is

1 traffic to a Web site is almost like a funnel.
2 So the more people you get to your Web site,
3 the larger the funnel you need to handle the
4 traffic. The larger the funnel, the more it
5 costs.

6 So Web sites today for municipalities
7 may not be a lot of money because the line is
8 really small. They're not getting a lot of
9 traffic. If we start putting people there,
10 they will.

11 The other thing about Google search,
12 the search will find these Web sites is not
13 true. We -- I've become almost a PhD in search
14 engine optimization even though I don't want
15 to. Google sees what it sees the most.

16 One of the reasons our Web site does
17 very good, for example, if you do a restaurant
18 in my newspaper, if you Google a restaurant in
19 my market, it is more likely to come up on my
20 Web site than their own. And the reason is
21 they're embedded in my Web site, and Google
22 constantly sees my Web site and everything
23 within it.

24 So if I do, you know, Subway in
25 Nazareth, it will come up on my Web site on

1 Google before it will come up on the Subway Web
2 site or their own Web site in Nazareth.

3 So these local municipalities that
4 get very little traffic will not be seen by
5 Google, and if they are, they'll be on page 10,
6 11, or 12, and they'll be exhausting by then.
7 So setting up any kind of an RSS feed or
8 anything else with Google is not going to
9 happen.

10 The other issue here is access. We
11 keep talking about the online -- nobody on our
12 panel sat here and said the online is not
13 important, relevant, and vital. It's vital to
14 our businesses. We all have invested
15 significantly in it.

16 We already do it. This information
17 is already online. The difference is it's on
18 one Web site instead of multiple Web sites that
19 nobody will know the URL to, won't be able to
20 find, and some will have them, some won't.

21 So if I live in a municipality and I
22 move, do I have to call everything (sic) within
23 my municipality and say do you have a Web site?
24 Are your things in the newspaper? How do I
25 find out? It's an archaic system that makes

1 absolutely no sense, and it is not about
2 transparency. It's not about access.

3 You can't take legal newspapers (sic)
4 out of newspapers and off a very robust,
5 interactive Web site and put them on small
6 municipality Web sites that have no traffic or
7 knowledge how to get there and say you're going
8 to have more people see it. It's just not
9 true, and there's no way it ever will be. It
10 is just not -- it's not capable.

11 So cost, they have no idea what the
12 cost is going to be. We do. We've told you
13 it's going to cost anywhere between \$24 and \$48
14 million just to host these sites, fixed
15 numbers. There's no funny numbers. It's not
16 anything that we put out there. It's already
17 done. Okay?

18 And, again, the PSU study for local
19 government who had a figure of \$26 million,
20 that's over three years. Okay? So again we're
21 not talking about that.

22 The real issue here for us -- and,
23 you know, newspapers, the comment was that
24 we're here trying to keep costs up. The
25 opposite. Okay? The opposite.

1 What we do want to do, though, is
2 make sure our citizens have the right to
3 interact in their local government, and if you
4 put these things on local Web sites, you're
5 hiding it. It does allow -- there was a
6 comment -- and I wrote it down because I
7 thought it was kind of cute -- that said --
8 someone made the comment about people putting
9 up a notice and letting their friend print it
10 out and then going off, and the comment was it
11 won't happen. Well, if it did, it's illegal.

12 Okay. It can happen, and I would
13 argue in some places it would happen. We
14 cannot let that happen.

15 Citizens have a right and we have an
16 obligation to let citizens be involved in this.
17 This system is not broken in any way. There is
18 no reason to change it. There's no cost
19 savings whatsoever. There's actually a cost
20 increase.

21 And at the same time, if you do do
22 this, again, I'll remind you it is a thousand
23 jobs in this commonwealth.

24 Thank you.

25 CHAIRMAN CREIGHTON: Thank you,

1 Mr. Till.

2 Ernie?

3 MR. SCHREIBER: Two very quick
4 comments. You've heard different descriptions
5 of the audience.

6 In fact, there are two audiences out
7 there. There is the over-50 audience of
8 citizens who in many cases do not use the
9 Internet. There is the 25- or 30-and-under
10 audience who do, and you don't want to decide
11 between one and the other. You want to reach
12 both.

13 I would suggest that you -- if you
14 take away print, you're going to lose the most
15 committed citizens that you have in your
16 communities, the people who own homes, who are
17 well established, who have jobs, who go out and
18 vote, who work in civic organizations, and you
19 will gain the 25-year-olds, the kids who are
20 just out of school, who are really into MTV,
21 who don't have the level of civic commitment
22 because they're too young to have that that the
23 over-50 group have.

24 Secondly, there was just one comment
25 that suggested that this was somehow a subsidy

1 to the newspaper industry, but most of the
2 times it was called a mandate, and that's what
3 it is, and it's a mandate for a reason.

4 If this were a world where all local
5 government and all school boards were really
6 greatly concerned about communication with
7 their constituents, with their audiences, there
8 would need to be no mandate. They would make
9 sure that everybody in their communities knew
10 when they were going to raise taxes, when they
11 were going to build a new building, when they
12 were going to take any action that affected the
13 public welfare, but we know, with the exception
14 of building projects where they may want to
15 solicit the very lowest bids, human nature
16 leaves them to not want to widely publicize
17 matters that they know will be controversial
18 and which will put them into the sort of
19 anguish, what will I do sort of situation you
20 find yourself in so often when there are
21 controversial issues.

22 So it is not wise to suspend the
23 mandate and to say, well, you decide when you
24 want to tell your constituents about
25 controversial public matters, because try as

1 they might, I don't think they will do it.
2 There's too much experience that shows they're
3 reluctant to do it. That's why we've always
4 had a state mandate.

5 Thank you very much.

6 CHAIRMAN CREIGHTON: Thank you.

7 Redirect on Elam or Ron?

8 MR. GRUTZA: To respond to the
9 last -- the last comment, if we don't do what
10 we're required to do under House Bill 633, any
11 action that we take at a public meeting will be
12 invalid anyway current -- as the current
13 statutory scheme indicates. That's not going
14 to change. What is going to change is the
15 medium that we get the information to the
16 public. So that's -- that's something that's
17 worth noting.

18 Also, the percentages of, you know,
19 well, you're going to disenfranchise the
20 seniors. I can say the converse right now.
21 The current scheme disenfranchises the younger
22 citizens. So just keep that in mind as well.

23 MR. HERR: Real quick, Mr. Chairman.
24 I think Ron hit the nail on the head with the
25 whole issue. It's -- what we're looking at is

1 how we get the information out, the medium that
2 we are using.

3 You know, we can go back and forth
4 and make accusations that local officials will
5 try to hide everything. I really take
6 exception to that. Yes, there are problems out
7 there, and that's just human nature, but to
8 make the assumption that every local official
9 or every elected official will try to hide and
10 keep things out of the public knowledge is a
11 little tough to take.

12 On the other hand, I also don't want
13 to say that the news media isn't doing their
14 job in getting information on what's there.
15 What we're trying to say is there's other means
16 to get that information out, and we should be
17 looking at that instead of waiting for another
18 20 years down the road when, you know, the
19 electronic media has taken over.

20 As a matter of fact, in 20 years
21 maybe the media that we're looking at today,
22 the Web, will be replaced by something else. I
23 can't see that far in the future.

24 The only thing I do see is that in my
25 lifetime the news media has, you know, gone by

1 the wayside to some extent with the Web and the
2 social media picking up. I mean, everybody
3 looked at it. And even your committee, you now
4 have a Facebook page. Ten years ago, what's a
5 Facebook? We're trying to get information out
6 by more means.

7 Again, I will pick on myself. I am
8 the dinosaur. I didn't call anybody else in
9 this room a dinosaur. I called myself the
10 dinosaur earlier when I said I still read the
11 paper. I do not have a Facebook page yet.
12 I've been told I will be getting one from the
13 office to keep up with what's happening.

14 But it's what is transpiring today
15 that we have to look at. How do we get the
16 information out? How do we get it out fast?
17 How do we keep up with the people who want that
18 information?

19 So I went a little longer on that
20 rebuttal than I wanted to, but I think it
21 is -- as Ron said, it's the medium that we're
22 looking at, not that we're trying to hide
23 something or accuse somebody or something of
24 doing something illegal.

25 Thank you.

1 CHAIRMAN CREIGHTON: I want to thank
2 the local government group committee panel and
3 the newspaper panel. You've done a great job
4 and I think done a good service to communicate
5 this issue to the Pennsylvania public.

6 Now I'd like to introduce Matt Creme
7 from Lancaster County. He is now the president
8 of the Lawyers Association.

9 You're all by yourself.

10 MR. CREME: I am all by myself.

11 Good afternoon, Mr. Chairman,
12 Mr. Minority Chairman, members of the
13 committee, and staff and a special shout out to
14 Bryan Cutler and Dave Hickernell in addition to
15 Tom Creighton from Lancaster County.

16 It is my honor to serve the lawyers
17 and judges of the legal profession in our
18 commonwealth as president of the Pennsylvania
19 Bar Association, and I'm testifying today on
20 behalf of the 28,000 members of the
21 association.

22 We will have written submission of
23 our testimony, so I'll just cover the high
24 points with you, and then I'd be happy to take
25 any questions.

1 But as a preliminary comment, I'm
2 happy to say that the Bar Association and the
3 organized bar stands aside of the issue that
4 you just heard debated on both sides, and that
5 is a personal comfort zone for me because I am
6 principally a municipal law lawyer, and my
7 father is the retired treasurer of Press
8 Enterprise Newspaper in Columbia County. So we
9 are not in that issue. We stand aside. And
10 I'm here testifying on behalf of our local
11 county bars and the local county law journals.

12 The local county law journals are the
13 instrument designated by court rules as the
14 place where certain public notice advertising
15 must be placed, and as such, in addition to
16 acting as trade journals for the legal
17 profession, the local county law journals are
18 extensions of our court system.

19 The things that would be found in the
20 county law journals are the public notice
21 advertisements that affect things like title to
22 real estate. They include sheriff's notices,
23 liens. They also would contain the formation
24 of business entities and the like.

25 So the law journals are then used by

1 a community of professionals which include
2 lawyers, accountants, and bankers, and the
3 importance of having a county-by-county based
4 media that contains this information is that if
5 something is to affect title to real estate, it
6 must be found in an instrument in the county
7 where the real estate is located, so that we
8 have a very cost efficient system of county by
9 county providing a discrete amount of
10 information that is of particular interest to
11 legal, accountant, and bank professionals as
12 well as the residents of our commonwealth.

13 And what House Bill 633 does, if it
14 were to become law, is to exclude the county
15 law journals, and we believe that that is
16 proper policy. We believe that that is a
17 policy that benefits the residents of the
18 commonwealth, and the continuation of the law
19 journals for the kind of advertising that is
20 required to be placed in the law journals is a
21 good thing.

22 The kind of advertising that you've
23 just heard described by the newspapers
24 association and the various local government
25 associations are not the kind of public notice

1 advertising that is required to be in a county
2 law journal.

3 So those large numbers, those large
4 dollar amounts, that were described to you,
5 whatever they may be, and once it's resolved to
6 your satisfaction that they are accurate, most
7 of that money is not spent in local county law
8 journals. Some of it is.

9 One particular example would be the
10 Tax Claim Bureau, but even the sheriff's
11 office, which is a local official, those costs
12 of advertisement that are connected with
13 foreclosure of real estate are all prepaid by
14 the foreclosing entity and the most part
15 institutional entities such as banks and
16 mortgage companies but in some occasions
17 individuals like as private lenders, but those
18 are not public dollars. Those are not taxpayer
19 dollars for the most part paying for the
20 advertising -- and I should say more than for
21 the most part -- in the vast majority of cases,
22 paying for the advertising in the local county
23 law journals.

24 So I'd be happy to take questions.

25 CHAIRMAN CREIGHTON: Bryan?

1 REPRESENTATIVE CUTLER: Sorry.

2 MR. CREME: It's a free shot, Bryan.

3 CHAIRMAN CREIGHTON: Okay. I guess
4 that's a great presentation.

5 MR. CREME: Thank you, members of the
6 committee.

7 CHAIRMAN CREIGHTON: And Ray Landis.
8 Is Ray here?

9 MR. LANDIS: Thank you, Mr. Chairman.
10 Thanks for the opportunity to be here.

11 My name is Ray Landis. I'm the
12 advocacy manager for AARP in Pennsylvania and
13 pleased to have the opportunity, especially
14 after hearing AARP's name brought up on a
15 couple of the panels before in discussion about
16 the impact of this legislation on older
17 Pennsylvanians.

18 AARP, of course, has 1.8 million
19 members in Pennsylvania over the age of 50, and
20 I'm glad to have the opportunity to represent
21 them today and discuss House Bill 633.

22 And, Chairman Creighton, I think your
23 description at the beginning of the hearing was
24 very apt about that we have a revolution going
25 on in information right now, but I do believe

1 that in looking at the 50-plus population, that
2 revolution is impacting our population, but it
3 might be impacting the 50-plus population a bit
4 slower than most of the rest of the population.

5 And there was a lot of discussion
6 when the panels were testifying about the
7 impact on older Americans, older
8 Pennsylvanians, and fortunately AARP has done a
9 survey, which I brought copies of for the
10 members of the committee, and possibly and one
11 of the most ironic statements made today, I
12 will say that this is also available on the
13 AARP Web site. So it can be accessed that way,
14 but I do have paper copies for the committee,
15 and as AARP does, we're glad to mail out copies
16 to individuals who don't have computer access.

17 And what this survey shows I think is
18 that there's a real shift going on in the older
19 population right now, and because what the
20 survey does is it breaks down the Internet
21 access between the 50 and 64 population and the
22 65-plus population.

23 And I think the most relevant
24 question that is asked on the survey is to ask
25 people if they have access to a computer, and

1 among the 50 to 64 population, only 22 percent
2 responded that they do not have access to a
3 computer, but the 65-plus population, the
4 number that responded that they do not have
5 access to computers is 51 percent. And so I
6 think you can see there's a shift there where
7 the 65-plus population generally -- and this is
8 a nationwide survey.

9 And it is ironic too that we're
10 meeting today when the census figures came out
11 just today for Pennsylvania showing that we
12 continue to be one of the older states in the
13 nation. I guess the rankings haven't come out
14 specifically, but we have constant -- we've
15 been ranked in the top five as to the state
16 with the oldest population.

17 So I think when we look at this
18 survey and look at the numbers that are in the
19 survey, we do have to realize that the
20 population in Pennsylvania does tend to be
21 older than the rest of the country right now,
22 and that would give us the indication that
23 there are still a significant number of
24 Pennsylvanians who do not have access to a
25 computer.

1 And when we look at these numbers and
2 look at what House Bill 633 would do, I think
3 one of our reactions from AARP is that this is
4 an idea whose time may not yet have come
5 primarily because we look at that segment of
6 our population, that 65-plus population, and we
7 know that in asking them other questions that
8 that is a segment of our population that is
9 very involved in their community.

10 They're interested in what's going on
11 in their community, whether it's at the local
12 government level, at the local school board
13 level, and the idea that half of that
14 population still does not use a computer is
15 troubling to think that the notices, whether
16 it's meeting notices, notices of the activities
17 of these local government organizations, would
18 not be available to them other than on the
19 Internet is troubling for this population.

20 A couple other things I just wanted
21 to cite out of the study is that there is also
22 a huge difference in income level. Lower
23 income individuals, whether they are 50 to 64
24 or 65 plus, use the Internet in much lower
25 percentage than individuals at higher incomes,

1 and that break really comes at \$25,000 a year.
2 Anyone over \$25,000 a year in income is much,
3 much more likely to use the Internet than
4 anyone below that figure.

5 And one of the other figures that I
6 found startling out of this survey was the fact
7 that individuals were asked where they have
8 access to a computer, and only 4 percent access
9 a computer at the library. So there is a very
10 low percentage of individuals who are
11 accessing, getting their information in a
12 public setting at a library, and the vast
13 majority get their computer access at home.

14 I guess one other point that I would
15 make from the AARP perspective -- and I was
16 glad to hear noted that AARP does have an app
17 that you can get for your mobile devices, and
18 when you look at our membership, which is
19 anyone over the age of 50, we are really trying
20 very hard to appeal to that 50 to 64 proportion
21 of our membership, and, you know, the idea that
22 this survey shows that 78 percent of them are
23 using -- you know, using a computer right now,
24 and, you know, AARP does have a vast online
25 presence.

□

1 And as we try to publicize our
2 activities in Pennsylvania, we, of course, are
3 trying to utilize the Internet and e-mail and
4 those types of electronic communications
5 because they are much less expensive to us, but
6 we also find that it is absolutely necessary
7 for AARP as an organization in Pennsylvania to
8 put advertisements in newspapers, notifying
9 individuals of our meetings that are coming up,
10 and sending mail to them too because our
11 membership that is above the age of 65 still
12 prefers to get their information either through
13 the mail or reading about it in the newspaper.

14 And we see it changing, and we see
15 that 50 to 64 population much more amenable to
16 getting their information electronically, but
17 there is that 65-plus population that we do see
18 still wants their information to come to them
19 in that way.

20 And, finally, I'll conclude by saying
21 I think there are some areas for compromise in
22 this issue, and probably I'm not going to make
23 any of the panels happy when I mention the two
24 things that AARP sees as a way to compromise on
25 this issue.

□

1 And one would be for local
2 governments perhaps to be able to do joint
3 advertisements in newspapers. In other words,
4 to have local school districts join together
5 and put notices of their meetings in one single
6 advertisement that individuals that were
7 interested in that could see and that I believe
8 could save local governments costs in having
9 fewer advertisements in newspapers and
10 hopefully still get the reach out to those that
11 are picking up this information through the
12 print media.

13 And, of course, the other was
14 mentioned by the folks on the first panel is
15 that in Pennsylvania my colleagues around the
16 country are always stunned at how many local
17 government entities we have and the costs that
18 are involved in running those local government
19 entities. So whether it's consolidating school
20 districts or coming up with a way to have fewer
21 local government entities, that would
22 invariably save the taxpayers money.

23 And certainly when it comes down to
24 it, AARP members like any other individuals in
25 the commonwealth are interested in saving tax

1 money and making government more efficient.

2 So, with that, I'll conclude, and
3 I'll be glad to answer any questions.

4 CHAIRMAN CREIGHTON: Thank you, Ray.
5 Mr. Chairman?

6 CHAIRMAN FREEMAN: Thank you,
7 Mr. Chairman.

8 Just a quick, more of an observation
9 I guess than a question, but feel free to
10 respond. Your statistics on the number of
11 senior citizens that do not have access to the
12 Internet was telling I think in one respect
13 that we really didn't touch on much in our
14 testimony throughout this hearing.

15 The figure jumps dramatically when
16 you're dealing with low-income senior citizens,
17 and feel free to comment on this, but I would
18 assume that's a testament not only to a
19 generational gap on technology but also to the
20 cost of the computer.

21 Even though computers have come down,
22 they are still not exactly a cheap commodity
23 when you're living on a fixed income. So I
24 imagine if you're a senior citizen with a
25 household income of less than \$25,000 a year,

1 you have other priorities than going out and
2 getting a 6 or \$700 computer to deal with in
3 terms of your costs.

4 MR. LANDIS: Very much so, and that's
5 a significant factor.

6 And the other factor that's in this
7 survey that I found interesting is that when
8 people were asked if they were interested in
9 learning about computers and getting online,
10 seven out of ten people that were
11 surveyed -- and this again was higher for the
12 65-plus population than the 50 to 64 population
13 -- said they weren't interested.

14 And one of the factors that was cited
15 in that they weren't interested in learning how
16 to use the Internet or get on computers was the
17 fact that it would be costly to them, that they
18 would have to go out and buy a computer, and,
19 you know, we know that the cost of home
20 computers has come down dramatically in recent
21 years, but still when you're looking at
22 lower-income seniors especially who are living
23 on that fixed income -- and, you know, we've
24 gone two years without a Social Security cost
25 of living increase and certainly seen costs

1 going up in other areas -- they just don't have
2 that disposable income to take the plunge and
3 go out and buy a computer.

4 CHAIRMAN FREEMAN: Thank you very
5 much.

6 CHAIRMAN CREIGHTON: Representative
7 Knowles?

8 REPRESENTATIVE KNOWLES: Yes,
9 Mr. Chairman. I'll be very brief.

10 You had mentioned that most people
11 over the age of 65 would be reading newspapers
12 or be -- do you have any numbers on the number
13 of people over 65 that read at least one daily
14 newspaper a day?

15 MS. LANDIS: I do not. I can check
16 with our research division to see if they have
17 done some of that, some of that research, but I
18 do not have those figures with me, but I'll be
19 glad to check that out and get that to the
20 committee.

21 REPRESENTATIVE KNOWLES: I would
22 appreciate that.

23 Thank you, Mr. Chairman.

24 CHAIRMAN CREIGHTON: Representative
25 Maloney?

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

3 Just a couple really kind of comments
4 and things that I think are somewhat
5 interesting. The 4 percent in the library, I'm
6 not sure what age that would be. Lot's been
7 said about age, and I guess you evidently have
8 two different categories of age, 64 down to 50,
9 which I'm not so sure how you ended up down at
10 50. That's older generation and older
11 population you're talking about, and you got
12 down to 50. I don't know if that's to generate
13 revenue or what that was, but since I turned 50
14 the past year, I kind of have trouble with
15 that.

16 MR. LANDIS: As did I, so --

17 REPRESENTATIVE MALONEY: So that was
18 just one point of interest I thought was
19 interesting.

20 The other thing would be the apps on
21 mobile phone devices. I'm not so sure what age
22 groups would be using that. I sort of think
23 the 65 and above wouldn't even have a mobile
24 phone that would use an app to that effect.

25 And I guess the other question, or

1 maybe it's not even a question, I guess just
2 would be a point of interest, and that would be
3 it seems to me that there's more landline and
4 phone lines that are being dropped by a certain
5 population age, whatever that might be, and
6 just using mobile devices.

7 So they were just some of my thoughts
8 with respect to your testimony.

9 So thank you, and be careful with
10 that 50.

11 MR. LANDIS: And, again, I think in
12 response, our -- and that's another difference
13 that we see. That 50 to 64 population is one
14 of -- is that generation that is dropping
15 landline phones, but our 65-plus population --
16 and again, I think we have done a survey on
17 this, and I can get some numbers -- are the
18 folks that still have those landlines and, you
19 know, aren't embracing technology as quickly as
20 that 50 to 64 generation, but it's certainly
21 coming. I think that that change is coming,
22 and we are seeing it in our membership right
23 now.

24 REPRESENTATIVE MALONEY: Yeah, Social
25 Security qualifications are going up, but your

1 ages are going down.

2 Thank you.

3 CHAIRMAN CREIGHTON: In conclusion,
4 I'd like to have the Chairman make closing
5 comments.

6 CHAIRMAN FREEMAN: Thank you,
7 Mr. Chairman.

8 My thanks to all those who gave
9 testimony today to give us their perspectives
10 on this legislation. It's been most helpful
11 and most illuminating, and I want to once again
12 thank the Chairman for his willingness to hold
13 this hearing.

14 I think this is very much an
15 important aspect of the legislative process and
16 for us as members to make fully informed
17 decisions in these kinds of hearings.
18 Particularly on issues that are a dramatic
19 departure in which the way business is done is
20 absolutely critical.

21 So my thanks to him and to those
22 members of the committee in attendance.

23 CHAIRMAN CREIGHTON: I'd like to also
24 thank every presenter. I think you did a great
25 job, and I think we did a good service to the

1 commonwealth.

2 We definitely live in a generation of
3 change, and we must embrace that change, or
4 we'll be left behind. How we do that, that's
5 part of the process. We need to make smart
6 decisions.

7 So thank you all for coming here.
8 Our meeting's adjourned.

9 - - - -

10 (Hearing adjourned at 1:55 p.m.)

11 - - - -

12 I hereby certify that the foregoing
13 is a correct transcript from the digital record
14 of proceedings in the above entitled matter.

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Tracy A. Chewing, RPR
Court Reporter

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