

Newspapers Fight Electronic Legal Ads

BY JIM DOOLEY - The state spends nearly \$1 million annually to publish legal notices in Honolulu's only newspaper and lawmakers are looking for ways to trim that bill.

Two measures that would allow electronic publication of some or all legal notices on internet websites were discussed in a joint meeting of three Senate committees this afternoon.

"As electronic posting of information has become an accepted and expected way to conduct business, the state should publish public notices online," said Chief Information Officer Sanjee "Sonny" Bhagowalia.

Newspaper publishers uniformly opposed the bills, saying the notices are more likely to be read in their publications than on government websites.

"Posting public notices solely on a government website amid all the clutter and chatter of the vast Internet is a sure-fire way to obscure this vital and local information from the public," Ted Dixon, president of the Hawaii Publishers Association, said in written testimony.

The American Association of Retired Persons also opposed the bills.

"Our concern is that people who are not computer literate or without internet access would not be able to access public notice information. This is particularly true of many seniors, disabled, and disadvantaged groups who still rely on newspapers for vital information and would miss public notices if not published in newspapers," the AARP said.

Dave Kennedy, senior vice president of the Honolulu Star Advertiser, said under questioning from Maui Sen. Roz Baker, D-5th Dist., that the newspaper receives \$890,000 annually for publishing state government legal notices.

But Kennedy called that figure "a very small proportion of our overall revenue."

He couched his objections to electronic publication in other terms.

“The bottom-line issue here isn't about revenue for us; it's about public access and the public's right to know. That's something we in the news business take very seriously,” Kennedy testified.

Throughout the country, Kennedy said, laws require newspaper publication of government legal notices for a variety of reasons.

The notices are published by a “party independent of the government,” they are “widely and easily accessible” and copies of them are “archived and are secure from modification and tampering,” said Kennedy.

When questioned by senators about legal notice rate increases imposed by Star Advertiser since it became Oahu's sole daily newspaper in 2010, Kennedy repeatedly said the current legal ad rate “is 40 per cent less than the year 2000.”

That was back when there were two Honolulu newspapers, the Advertiser and Star Bulletin, that were independently owned but shared joint business operations, including advertising sales.

When the two papers separated and competed with each other, rates for all categories of advertising plummeted.

After the two papers merged in 2010, the surviving Star Advertiser told government agencies it was raising its legal advertising rates between 208% to 264%, depending on the day of publication.

Slightly lower increases were ultimately imposed by the publication last year, but the rates are still substantially higher than those charged when there were two newspapers operating in Honolulu.

The state Judiciary suggested in testimony yesterday that the state should publish legal notices both in newspapers and in online sites.

That would cost the state more money for new electronic publishing equipment and personnel, on top of the continuing print publication costs, the courts acknowledged.

“The Judiciary recognizes the additional costs, but believes that there is still a segment of our community who would be served better through print media,” courts official Kevin Thornton said in written testimony.