

## Newspapers defend their crony capitalism: Outdated monopoly on public notices

By Rachel Alexander

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Ever wonder why taking out a public notice costs so much money? It shouldn't be that way. With the demise of print newspapers, it no longer makes sense to require that public notices be published only in newspapers. More people have access to the internet now than subscribe to print newspapers. Yet print newspapers have successfully fought tooth and nail over the past 10 years to keep their government-sanctioned monopoly of publishing public notices in place. Every year, powerful newspaper lobbyists convince Republican state legislators to vote against their principles and perpetuate this exclusive monopoly to the dying newspapers. In today's internet era, it is nothing more than corporate welfare.

Last week, three Republican legislators in Arizona who hold themselves out as conservatives went against the position of conservative groups and voted down a bill in committee that would have eliminated the newspapers' monopoly. This makes no sense, considering it would have the accompanying benefit of speeding up the demise of the liberal news media that consistently attacks Republicans. Additionally, it would increase transparency, since regular online news sites are easier to find than trying to find a notice buried in an archaic newspaper archives. Newspapers in Arizona share one online database for public notices, which is not searchable by Google, and gets less than 100 visitors per day.

This year there are bills being considered in several state legislatures. Each year for the past 10 years, bills have been introduced in state legislatures to eliminate this crony capitalism. So far the print newspaper industry has proven too powerful and successfully defeated them.

Printing public notices gives newspapers a guaranteed revenue stream that the rest of us in the private sector don't receive. Historically, newspapers have received 80% of their revenues from advertising. Currently only a handful of print newspapers in each state are authorized by law to print public notices. They raise the prices artificially to gouge consumers and government, which increases taxes. To publish a notice of a trustee sale in Arizona, most newspapers charge close to \$600.

The newspaper industry is throwing up straw man arguments to legislators in order to scare them and perpetuate the monopoly. One assertion is that there will be problems archiving. But since print media is going away, what is different about an online newspaper site archiving and another type of online news site archiving? The newspaper industry claims that there will be problems with affidavits and paper trails. However, there is no reason why other online news sites cannot provide affidavits, notarizations, work with title companies, etc., the way the print newspapers do now.

The newspaper industry falsely claims that eliminating their monopoly will result in less transparency. The opposite is true. Currently, it is easy to publish a public notice in a small town newspaper, "hiding in plain sight." Foreclosure notices cannot be found in Google searches.

Another false assertion is that people in rural areas will miss public notices if they are not printed in newspapers. Besides the fact that print newspapers are going away, only around 10-15% of residents in rural areas live in a household that subscribes to print newspapers. Whereas 50% of residents in rural areas have the internet at home, and an even higher percentage have wireless phones with internet access. Others can access the internet free at libraries. Obama's White House Rural Initiative seeks to provide internet access to virtually everyone who lives in rural areas.

A bill was passed in Utah in 2009, SB 208, that would have permitted urban newspapers to post public notices online instead of in print. The bill never went into effect and was repealed. The newspapers claim this is evidence that trying to eliminate their monopoly was a bad idea. The truth is, besides the fact that the bill never actually went into effect, it did nothing but transfer the newspapers' monopoly to the internet.

There are few differences anymore between online newspapers and other forms of online news, including blogs and TV station websites. Lynne LaMaster, a mom from Prescott, Arizona, is leading the effort in Arizona to break up the newspapers' monopoly. LaMaster runs several online news sites that provide balanced, not left-leaning coverage of current events. Why is the liberal print media entitled to a corporate subsidy while she is not?

The USC Annenberg Center for the Digital Future predicts that print newspapers will disappear within five years. Newspapers are not growing online, and the number of visitors to their websites has plateaued. Traffic at midsize and small newspaper sites is falling. The Arizona Republic's online website, azcentral.com, has been losing traffic over the past half a year, according to the traffic ranking site Alexa. Local TV stations now have websites that are quite similar to newspaper websites, taking away much of their traffic. Newspapers' online ad revenues are decreasing. Four of the five most popular news sites are not owned by newspapers. The top five, in descending order, are Yahoo News, MSNBC Digital Network, AOL News, CNN.com, and NYTimes.com.

Between 2008 and early 2010, eight major newspaper chains declared bankruptcy, several large city papers shut down, and even more laid off employees, cut pay, reduced the size of the physical newspaper, or turned to internet-only publication. People are tired of the left wing bias of newspapers, and are getting their news instead from other sources, including online conservative publications. Times have changed with the advent of the internet; people who care about the quality of news now can easily run their own news sites from within the comfort of their own homes, and will do so without pay.

One of the legislators who voted against Arizona's HB 2403 claimed he did so because this change will happen in 5-10 years. This is no different than saying it is fine to give the newspapers an exclusive monopoly by the government with no competition for 5-10 years. The newspaper business is dying and they have been using exaggerations and misleading information for 10 years to stop this legislation from passing. Halting their monopoly will allow for the greatest transparency, competition for better pricing, and a lower cost overall to taxpayers at a time when our government budgets are in the red.

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