

Rule changes are effective immediately unless noted otherwise and are the result of ABC's usual two-step approval process unless designated as approved by "unanimous consent."

## All Publications – Page 15

### Rule B 2.1 Member Obligations

#### AMENDED RULE

*ABC's Board voted to modify Rule B 2.1 Member Obligations, as part of a comprehensive review of the ABC rulebook. (Effective July 22, 2006.)*

#### B 2.1 Member Obligations

An ABC audit is designed to provide a high degree of assurance that an ABC member-publication's circulation, as well as all other information contained in its ABC Audit Report, is fairly stated in all respects material to average paid and analyzed non-paid circulation.

ABC publisher members are responsible for all information disclosed in their ABC Publisher's Statements and Audit Reports, and are obligated to comply with Bylaws 2.8 "Publisher Duty to Install and Maintain Records" and Bylaw 2.15 "Access to Records." These bylaws state that the publisher is also responsible for the accuracy, completeness and accessibility of records maintained by agents, their sub-agents, distributors and other third-party suppliers.

Publishers must cooperate fully and in a timely fashion with ABC auditors in providing accurate records and information in connection with inquiries that arise during the audit process.

All ABC report services will be suspended when the ABC auditor cannot present final audit findings within 12 months of the audit period, if the delay is caused by the failure of the publisher (or its agent, their sub-agents, distributor or other third-party supplier) to respond in a timely fashion to requests for records. Report services will be resumed once the necessary documentation has been provided.

## All Publications – Page 18

### Rule B 3.6 Amended Publisher's Statements

#### NEW RULE

*ABC's Board voted to add Rule B 3.6 Amended Publisher's Statements, as part of a comprehensive review of the ABC rulebook. (Effective July 22, 2006.)*

#### B 3.6 Amended Publisher's Statements

Until the deadline (see Rule B 3.2) for filing the next Publisher's Statement, a publisher may request that ABC issue an amended Publisher's Statement, if revisions are necessary, and there are no findings related to an audit.

## All Publications – Page 18

### Rule B 3.7 Publisher Circulation Accounting Methodology

#### NEW RULE

*ABC's Board voted to add Rule B 3.7 Publisher Circulation Accounting Methodology, as part of a comprehensive review of the ABC rulebook. (Effective July 22, 2006.)*

#### B 3.7 Publisher Circulation Accounting Methodology

Circulation accounting methodology used by publishers in the calculation of circulation claims must be consistent through the reporting period unless approved in advance by ABC. As examples: the methodology employed to determine subscriptions cancelled for non-payment (average or actual) must be consistent over the entire audit period; the methodology employed for applying returns for day-of-week reporting (weighted or actual) must be consistent over the entire audit period.

## All Publications – Page 18

### Rule B 4.3 Dealer Accounts

#### AMENDED RULE

*ABC's Board voted to modify Rule B 4.3 Dealer Accounts, as part of a comprehensive review of the ABC rulebook. (Effective July 22, 2006.)*

#### B 4.3 Dealer Accounts

~~When a retail dealer's account is over three months in arrears, such portion of the draw which is in arrears over three months shall not be considered as measuring up to the Bureau's definition of paid circulation, but shall be included in unpaid distribution and explained in the paragraph of Publisher's Statements and Audit Reports devoted to general explanations.~~

That portion of a retail dealer, agent or distributor account that is over three months in arrears does not meet the Bureau's definition of paid circulation and is ineligible for inclusion in paid circulation. The publisher must include this circulation in non-paid distribution along with a brief description in the explanatory paragraph of ABC Publisher's Statements and Audit Reports.

Rule changes are effective immediately unless noted otherwise and are the result of ABC's usual two-step approval process unless designated as approved by "unanimous consent."

## All Publications – Page 18

### Rule B 4.7 Bonuses, Allowances, and Limitations of Returns

#### AMENDED RULE

ABC's Board voted to modify Rule B 4.7 Bonuses, Allowances, and Limitations of Returns, as part of a comprehensive review of the ABC rulebook. (Effective July 22, 2006.)

#### B 4.7 Bonuses, Allowances, and Limitations of Returns

~~When any allowances, bonuses, salaries, rebates or price differentials in any form whatsoever are made through agents, distributors and wholesalers, independent contractors of other third parties, or when any limitation is put upon the number or returns which will be accepted by the publisher, it shall be the duty of the Bureau to determine if such acts have resulted in copies being claimed as paid which did not reach the hands of recipients in compliance with the rule in which paid circulation is defined, and such copies shall be deducted from and not included in paid circulation.~~

When a publisher provides bonuses, allowances, salaries, rebates or price differentials to or through agents, distributors, wholesalers, independent contractors or other third parties, or when a publisher limits the number of returns it will accept, the publisher must maintain and provide ABC auditors with auditable records so that the auditors can determine whether or not the circulation was generated in compliance with the rules defining paid circulation. Auditable records include, but are not limited to, periodic surveys (quarterly or more frequently) of non-return or limited-return accounts, and documentation that credits were not intended to reimburse carriers for copies that were either not sold or that did not meet the ABC definition of paid circulation.



## NEWSPAPERS – Page 22

### Rule C 2.7 Days Omitted from Averages

#### AMENDED RULE

ABC's Board voted to modify Rule C 2.7 Days Omitted from Averages, as part of a comprehensive review of the ABC rulebook. (Effective July 22, 2006.)

#### C 2.7 Days Omitted from Averages [this is a complete re-write of the old rule]

(a) Newspapers may omit certain days from the calculation of their average net paid circulation when circulation on those days differs from the previous corresponding day by at least five percent.

*Example: A newspaper wants to eliminate Thursday, August 11. The net paid circulation for that day was 100,000. The net paid circulation for the previous corresponding day (Thursday, Aug. 4) was 107,000. Because the difference between the two-day's circulation exceeds five percent (7,000/107,000 = 6.54%), Aug. 11 is eligible for omission from ABC's circulation averages.*

#### (b) Requirements

##### (1) Variances

A maximum of 10 omitted days is allowed within a 12-month audit period.

##### (2) Option Days

(a) In competitive markets, when one newspaper elects to omit a day, ABC's managing director will notify the other publisher members in the same city. These publishers have the option to omit this day even though they do not qualify under the five percent requirement. If a newspaper exercises this option, it must count this day as one of the 10 maximum permitted under ABC rules.

(b) Newspaper members not published in the same city as another member may petition the managing director to omit the same day(s) as another member published in a different city if the City and Retail Trading Zones or Newspaper Designated Market of the petitioning member is completely contained with the City and Retail Trading Zone or NDM of the other newspaper mentioned in the petition. If approved, the petition will not be retroactive and will be in effect upon receipt of the petition by the Bureau.

#### (3) Notification

The member newspaper must notify ABC of their intent to omit a day or days no later than 15 calendar days after the day requested to be omitted.

Total net paid circulation figures for the omitted day and previous corresponding day must be provided within 30 calendar days of the requested omitted day.

Failure to follow these notification requirements will result in the request for the omitted day being denied.

#### (4) Change of Distribution

When a publisher member changes distribution, such as distributing a Morning issue to Evening subscribers or copies of an Evening issue to Morning subscribers, the circulation for those days may be included in paid circulation, provided the publisher maintains records as substantiation that those distributed copies qualify as paid circulation.

The total paid circulation for each such day and the average total paid circulation, exclusive of those days during the period covered by the reports, will be shown in the Explanatory Paragraph.

#### (c) Bureau Reports

When there are days that are omitted from the average reported, the circulation and the reasons for omission will be reported separately for each day in the Explanatory Paragraph. The number of omitted days will also be reported on the front page.



Rule changes are effective immediately unless noted otherwise and are the result of ABC's usual two-step approval process unless designated as approved by "unanimous consent."



## NEWSPAPERS – Page 22

### Rule C 2.11 Intermittent Subscriptions

#### AMENDED RULE

ABC's Board voted to modify Rule C 2.11 Intermittent Subscriptions, as part of a comprehensive review of the ABC rulebook. (Effective July 22, 2006.)

**C 2.11 Intermittent Subscriptions** [this is a complete re-write of the old rule]

(a) Intermittent service ("bonus days") is the occasional delivery of issues not specifically identified as part of a new or renewing contract between the publication and the subscriber.

(b) To qualify for inclusion in paid circulation, the following conditions must be met:

(1) Intermittent service must be made to all eligible subscribing households within a market (e.g. City Zone, Newspaper Designated Market, etc.).

(2) All households scheduled to receive intermittent subscription service must be notified at least two weeks prior to the distribution date. If notification is placed in the newspaper, the notification must appear on a day that the subscriber would normally receive the newspaper.

*Example: Sunday-only subscribers are to receive Thursday, Nov. 24 as an intermittent service day. Notification must occur no later than Sunday, Nov. 6.*

(3) If, over the course of any seven-day period, the delivery of intermittent service copies emulates another established delivery frequency, the amount paid by the recipient of the intermittent service copies must be at least equal to a qualifying price, based upon a pro-rata of the basic price for the established frequency.

*Example: Sunday-only subscribers are to receive Friday, Saturday and Monday issues as "bonus days" and the newspaper has a Friday, Saturday, Sunday and Monday frequency of delivery with a basic home delivery price of \$2.00 per week. The Sunday-only subscribers must pay at least 50¢ (25% of \$2.00) for the Friday, Saturday, Sunday and Monday service.*

(c) When intermittent service equals or exceeds eight days in any Publisher's Statement period, "average intermittent service" will be reported as a separate line item in Paragraphs 1 and 2 of ABC Publisher's Statements and Audit Reports, as "Home Delivery, Intermittent Service."

(d) When "average intermittent service" is reported in ABC reports, information as to the specific dates the intermittent service occurred and the incremental paid circulation resulting for each of these dates must be included in the explanatory paragraph.

(c) To be classified as an agent, individuals must be currently involved in delivering the newspaper to subscribers.

An individual classified as an employee, correspondent or agent for more than one newspaper may be included in the "Average Paid Circulation" of only one newspaper.

(d) Adequate records must be maintained by the newspaper (employee payrolls, records of correspondent compensation, agent billings) to support its claims.

These copies will be reported separately in "Other Paid Circulation" in ABC Publisher's Statements and Audit Reports.



## NEWSPAPERS – Page 23

### Rule C 3.1 Employee, Correspondent and Agent Copies

#### AMENDED RULE

ABC's Board voted to modify Rule C 3.1 Employee, Correspondent and Agent Copies, as part of a comprehensive review of the ABC rulebook. (Effective July 22, 2006.)

**C 3.1 Employee, Correspondent and Agent Copies** [this is a complete re-write of the old rule]

A newspaper may include in "Average Paid Circulation" copies served (or made readily available for pick up in the normal work environment by) to employees, retired employees, correspondents and agents under the following parameters:

(a) To be classified as an employee, individuals must be, or have been, on the regular payroll during the reporting period of either the newspaper or a wholly-owned subsidiary of the newspaper that is actively engaged in the production or distribution of the newspaper. Employees of subsidiary organizations, such as radio and television stations, job printing plants and so forth, that are not actively engaged in the production or distribution of the newspaper, are not eligible.

(b) To be classified as a correspondent, individuals must contribute at least one article per month that is printed in the newspaper.



## NEWSPAPERS – Page 23

### Rule C 3.2 School Subscriptions

[paragraph (b)(6) only]

#### AMENDED RULE

ABC's Board voted to modify Rule C 3.2 School Subscriptions, as part of a comprehensive review of the ABC rulebook. (Effective July 22, 2006.)

**C 3.2 School Subscriptions** [paragraph (b)(6) only]

~~(b) (6) Home delivered copies shall qualify as paid circulation provided copies served conform to all Bureau rules defining paid circulation in all other respects.~~

(b) (6) School subscriptions (both subscriptions and single-copy sales) qualify as paid circulation, providing copies served conform to all Bureau rules defining paid circulation in all other respects.



Rule changes are effective immediately unless noted otherwise and are the result of ABC's usual two-step approval process unless designated as approved by "unanimous consent."



## NEWSPAPERS – Page 24

### Rule C 3.3 Third-Party Sales

#### AMENDED RULE

ABC's Board voted to modify Rule C 3.3 Third-Party Sales, as part of a comprehensive review of the ABC rulebook. (Effective July 22, 2006.)

#### C 3.2 Third-Party Sales [this is a complete re-write of the old rule]

(The amount used for the purchase of newspapers must be in accord with Rule C 1.1 Paid Circulation Defined and use the NIE pricing model as described at [www.accessabc.com](http://www.accessabc.com) to determine the minimum unit cost, net of all other considerations.)

(a) Third-Party (bulk) Sales are copies or subscriptions purchased in quantities of 11 or more that promote the professional or business interests of the purchaser.

All copies or subscriptions purchased in quantities of 10 or less will be designated as a "single-copy sale" or "home-delivery" in ABC Publisher's Statements and Audit Reports, except as noted in section (b).

Eligible third-party purchasers must market their products or services directly to consumers. Organizations, such as advertising agencies, marketing companies or similar firms are not eligible third-party purchasers.

(b) All copies purchased by hotels, restaurants, airlines and rental car agencies for free distribution to their guests and by sponsors for free distribution to hospital patients and nursing home residents, regardless of the number of copies, will be reported as Third-Party Sales when at least 25 percent of the basic price is paid, either in cash or by applicable barter. Evidence of this payment must be recorded and made available to ABC auditors.

(c) Copies served in arrears to term subscribers in bulk will be excluded from paid circulation and included in unpaid distribution.

(d) There are two types of Third-Party Sales — direct and sponsored. The relevant category depends upon how the newspaper receives funds from these sales.

For a guide for classifying Third-Party Sales into categories, consult ABC's Web site: [www.accessabc.com](http://www.accessabc.com).

#### (1) Direct Third-Party Sales

Direct Third-Party Sales are defined as those sales involving the solicitation of funds from a single purchaser of newspapers who controls all aspects for a specific event (e.g. fundraising event, social function) or distribution program.

#### (2) Sponsored Third-Party Sales

Sponsored Third-Party Sales are defined as those sales involving the solicitation of funds from more than one purchaser (sponsor) for contribution to a specific program.

(a) The total average Sponsored Third-Party Sales circulation must not exceed two percent of the average paid circulation over the Publisher's Statement period. Copies in excess of two percent will be deducted from paid circulation and included in non-paid circulation.

(b) Each individual Sponsored Third-Party Sales program (e.g. Meals on Wheels, a sporting event, a festival) with average circulation of 250 or more copies per issue will be annotated in ABC reports with an explanatory note.

The program must have an average circulation of the Publisher's Statement period of 250 or more, not necessarily a one-day distribution of 250 or more.

When the "Third-Party Sales" purchaser (Direct Third-Party Sales or Sponsored Third-Party Sales) is an advertiser, and the transaction provides advertising, the sales may qualify as paid circulation provided one of the following three stipulations are met.

(i) The advertising agreement and newspaper purchase agreement are shown on separate contracts, or

(ii) The advertising agreement includes specific language regarding the newspaper purchase price within the contract when the agreement includes both advertising and newspapers; or

(iii) The purchase price of the newspapers is a separate itemized line item within the contract or invoice when the agreement includes both advertiser and the newspaper.

#### (e) Requirements

##### (1) Notification

##### (a) Recipient

Recipients must be advised that the copies are made available by the purchaser. Here is an example of acceptable notification:

- Sponsor name
- Non-promotional logo
- Address
- City, State, ZIP
- URL
- Telephone/Fax/Email

Additional information will be considered advertising and must be paid for as described in paragraph (d) above.

For notification language, consult ABC's Web site: [www.accessabc.com](http://www.accessabc.com).

Recipients of programs extending for longer than one month must receive initial notification that furnishes all information necessary to cancel delivery. These recipients must receive monthly notification of the sponsor's identity.

(b) ABC must be notified of any Third-Party Sales program at least two weeks (14 days) in advance of distribution. This allows real-time testing as part of the audit process. Failure to provide the required notification will disqualify the circulation as "paid."

For Third-Party Sales copies delivered to non-subscribers, newspapers must maintain a list of recipients by address or be able to define the geographic area in which they will distribute and quantify the number of households that will receive copies. This information must be available at least two weeks before the actual distribution date and be maintained for review by an ABC auditor.

Rule changes are effective immediately unless noted otherwise and are the result of ABC's usual two-step approval process unless designated as approved by "unanimous consent."

## (2) Content

At a minimum, the newspapers distributed as Third-Party Sales must be the same core product (editorial, classified, inserts, etc.) delivered to all other single copy and/or rack outlets in the same zone on the same date of delivery with the exception of freestanding inserts (FSI) advertising. Unique editions may not be used for Third-Party Sales. Electronic editions may be subject to the limitations shown in paragraph (f) below.

## (3) Price Qualification

A qualifying price must be paid by the sponsor for each copy sold, net of all other considerations. Associated costs must be identified separately when sold in conjunction with an advertising contract for copies to qualify as paid circulation. Newspaper members may use any of the three following methods for disclosing the cost of the newspapers:

(a) Both the advertising and newspaper purchase agreements must be shown on separate contracts.

(b) When the agreement includes both advertising and newspapers, specific language regarding the newspaper purchase price (copies, unit cost and total cost) within the contract must be included.

(c) When the agreement includes both the advertiser and the newspaper, the purchase price of the newspaper must be a line item.

The amount charged for the advertising must be the same as that charged to a similarly-situated advertiser that does not purchase newspapers.

*For an example of a qualified disclosure and minimum requirements to qualify a price for third-party sales, consult ABC's Web site: [www.accessabc.com](http://www.accessabc.com).*

## (4) Billing

The purchase transaction must be separate from any other financial agreement between the third-party purchaser and the newspaper. An independent line item for the cost of the newspapers must appear either on the contract (if sold with a package) or on the invoice to the purchaser and indicate rate, volume and total cost for the newspapers. A clear audit trail must be maintained from the invoice/contract to the circulation records.

## (5) Payment

(a) At the time of distribution, a newspaper must have sufficient funds on deposit to cover the cost of distributing the newspapers claimed as Third-Party Sales. If sufficient funds are not available, the copies may not be included as "paid" circulation. Third-Party Sales are not eligible for inclusion in the four percent allowance.

### (b) Payment by Barter

(i) Bartered goods and services must have a predetermined value that can be validated with supporting documentation. Goods and services are acceptable forms of currency (replaces cash in the transaction) for Third-Party Sales. In addition to the billing requirement below, the revenue and expenses with respect to the bartered goods/services must be reflected in the accounting records of both the publisher and the sponsor in accordance with Generally Accepted Accounting Principles (GAAP).

A clear audit trail supporting the value of the bartered goods/services must be shown within the publication's accounting system.

*For additional information regarding Barter Attestation Requirements, consult ABC's website: [www.accessabc.com](http://www.accessabc.com).*

Programs using barter must be accompanied by a written statement, dated prior to the distribution of the newspaper from the third-party purchaser's CEO, CFO or from another representative in a management position who has knowledge of the company's financial recordkeeping process and can certify that the full barter value has been/will be recorded as an expense in accord with GAAP.

*For an example of an acceptable statement, consult ABC's website: [www.accessabc.com](http://www.accessabc.com).*

Barter will not be considered acceptable payment unless the affidavit is dated prior to the actual distribution of the Third-Party Sale newspapers and made available to the ABC auditor upon request.

*Third-Party Sales paid for by barter must be broken out in Bureau reports. Consult ABC's Web site: [www.accessabc.com](http://www.accessabc.com).*

## (6) Execution

The purchaser must direct the newspaper distribution to a specific Third-Party Sales program.

The purchaser may not contribute to a "general" third-party fund, but rather must donate to a specific program or event (e.g. Meals-on-Wheels, a sporting event, or a festival).

The number of newspapers purchased, the rate charged and the total charge must be clearly indicated to the purchaser (net of all considerations as stated in "Billing").

Money donated to Newspapers in Education (NIE) programs cannot be transferred to Third-Party Sales and vice versa.

## (7) Delivery on Date of Issue

Third-Party Sale copies must be delivered on the date of issue.

### (f) Bureau Reports

The total average circulation for Third-Party Sales will not distinguish between direct and sponsored sales, but rather discloses the average circulation for the period as a whole.

Although not reported in Bureau reports, for audit purposes, the publication must be able to identify and quantify direct versus sponsored third-party sales.

U.S. publications must report circulation averages for the four largest categories of Third-Party Sales in addition to an "Other" category that will complete the section. These figures will be listed in "Other Paid Circulation" and will show the type and character of the sales in ABC Publisher's Statements and Audit Reports.

*Canadian publications – See Rule C 10.2 and C 10.5.*

*For a guide for classifying Third-Party Sales copies into categories, consult ABC's Web site: [www.accessabc.com](http://www.accessabc.com).*

Duplicate home delivery circulation will be excluded from paid circulation. Newspapers delivering a "Third-Party Sunday Bulldog" edition to their regular Sunday customers, may not count the Third-Party Sale copy as paid circulation. Third-Party Sale copies must be delivered on the date of issue.

Electronic editions may qualify for use in specific Third-Party Sales Programs to businesses for their employees and to libraries. In these situations, each unique user license will constitute a subscription. The electronic edition must comply with all Bureau rules and policies relative to edition qualification and each license sale must also qualify to current paid circulation standards.



Rule changes are effective immediately unless noted otherwise and are the result of ABC's usual two-step approval process unless designated as approved by "unanimous consent."



NEWSPAPERS – Page 24

**Rule C 3.3  
Third Party Sales**  
*[new paragraph (g) only]*

**AMENDED RULE**

*ABC's Board voted to modify Rule C 3.3 School Subscriptions, in order to extend the 15% error tolerance applicable to third party home delivered copies permanently. (Effective July 24, 2006.)*

**C 3.3 Third-Party Sales** *[paragraph (g) only]*

**(g) Third-Party Home Delivered Allowance**

A total allowance of up to 15% for random/occasional delivery errors and false no goods will be permitted in evaluating the results of in-field testing of Third-Party Home Delivered programs.



NEWSPAPERS – Pages 26 & 27

**Rule C 5.3  
Combination Sales**  
*[combining old rules*

*C 5.3, C 5.4, C 5.5, C 5.6 and C 5.7 ... therefore current Rules C 5.8 through C 5.25 are to be renumbered C 5.4 through C 5.21]*

**AMENDED RULE**

*ABC's Board voted to modify Rule C 5.3 Combination Sales, as part of a comprehensive review of the ABC rulebook. (Effective July 22, 2006.)*

**C 5.3 Combination Sales** *[this is a complete re-write of the old rules C 5.3, C 5.4, C 5.5, C 5.6 and C 5.7]*

When two or more different publications (newspapers, magazines, business publications, farm publications) are offered for an amount less than the total of the basic prices of all the publications, these sales are defined as "forced" combinations and are subject to the following conditions.

**(a) Single Copy Sales**

When each of the publications offered in the combination sale intends to qualify the distribution as "paid circulation" it must be made known clearly to the purchaser that each of the publications can be purchased individually at the same price as if purchased as part of the group.

(1) The combination package must be priced so that both of the following guidelines are observed:

(a) Newspapers sold in combination may be included in paid circulation provided that the minimum qualifying price of each publication is collected.

(b) When a combination package is offered on a single-copy basis, three purchase options ("stacks" of publications) must be made available at all retail locations, including vending machines: the combination package itself plus each publication included in the combination package separately. The individual prices must add to the combined price.

*Example: The basic price for Publication A is \$1.00 and for Publication B is \$1.00, and the combination price is \$1.80. Thus, A and B must be sold for 90¢ each.*

**(b) Subscriptions**

The amount paid for all publications involved must be at least a qualifying amount as defined by the publication's Paid Circulation Defined rules.

**(1) Newspapers with Newspapers**

When subscriptions for two or more different newspapers are ordered or sold in combination, the subscriber must pay at least 25 percent of the cumulative basic prices for the term offered of all the subscriptions included in the package.

**(2) Newspapers with Periodicals**

When subscriptions for two or more publications, one of which is a newspaper and the other a periodical, are ordered or sold in combination, the subscriber must pay at least 25 percent of the basic price of the newspaper for the term ordered, plus at least the qualifying amount as defined by the periodicals' Paid Circulation Defined rules.

**(3) Add-On Subscriptions**

"Add-on" subscriptions are defined as the addition of a new publication served in conjunction with the consumer's existing subscription. Both subscriptions offered as a combination package may qualify as paid circulation under the following conditions:

(a) The subscriber must be notified of the new or renewal subscription offer.

(b) The amount of incremental payment or reduction of rate must be clearly disclosed and be at least a qualifying amount as defined by the publication's Paid Circulation defined rules.

(c) An affirmative act on the part of the subscriber is required and an option must exist to pay an incremental amount for the additional subscription or to take a reduction in the amount paid if the additional subscription offer is declined.

When an option to opt-in/opt-out does not exist, any promotional materials cannot imply or suggest that the "add on" publication is "free, "at no additional cost," or use of similar language.

*To view examples of frequently used offers, consult ABC's Web site: [www.accessabc.com](http://www.accessabc.com).*

The amount paid for all publications involved must be at least a qualifying amount as defined by the publication's Paid Circulation Defined rules.

**(4) Multiple Subscriptions to One Newspaper**

When two or more subscriptions to the same newspaper are offered or sold in one sale, the amount paid by the subscriber must not be less than the basic price of the longest subscription term plus a minimum of 25 percent of the basic price of the additional subscription(s) for the term offered.

The amount collected must be equivalent to the basic price for the highest priced subscription (based on the pro rata of the basic annual price) plus a minimum of 25 percent of the basic price for the additional subscriptions.

If there is no basic price for the term offered, the amount paid by the subscriber must be 100 percent of the pro rata of the highest basic price plus 25 percent of the pro rata of the basic annual price(s) of the additional subscriptions. If there is no shorter term available, calculate the pro rata of the next longer term.

*The rule is not applicable to situations where electronic edition issues are provided to print subscribers and only the print edition subscription is to be reported as paid circulation.*

Rule changes are effective immediately unless noted otherwise and are the result of ABC's usual two-step approval process unless designated as approved by "unanimous consent."

**(c) Newspapers Distributed Together**

**(1)** When two or more daily, Sunday or weekly newspapers are distributed together, the price charged for the combination must be a minimum of 25 percent of the basic price of each newspaper for the circulation of either to qualify as Paid Circulation.

For carrier-delivery and mail subscriptions, the total amount paid by the purchaser must pay a minimum of 25 percent of the aggregate basic subscription prices of the newspapers included in the combination.

**(2)** A newspaper with less than daily and Sunday frequency can distribute copies of another newspaper on those days when it is not published by establishing a basic price for this service, provided it is the only service option within the reporting market and provided copies are paid for in accord with C 1.1.

The average copies of the other newspaper served to subscribers under these arrangements will be reported as "Home Delivery - Joint Distribution Agreement." A full explanation will be provided in Bureau reports.

If the newspaper offers this service as an option to their subscribers within the reporting market, this translates into two service options and each must be priced in accordance with paragraph (c)(1).

**(d) Newspaper Distribution with Other Publications**

A host publication is defined as the highest priced publication in the combined offer as determined by comparing basic prices of all publications for the terms involved.

When a newspaper acts as a host to one or more other publications by permitting distribution of the other publication(s) to some or all of its subscribers or single copy purchasers, the sales of the host publication will qualify for inclusion in paid circulation if the amount paid by the purchaser is:

**(1)** At least the amount required by C 1.1 when the value of the other distributed publication(s) is not greater than 25 percent of the value of the host publication.

**(2)** At least the amount required by C 1.1 plus a minimum of 25 percent of the basic price of the other distributed publication(s) for the terms involved and when the value of the other distribution publication(s) exceeds 25 percent of the value of the host publication.

No publicity of the joint distribution can be made by or on behalf of the host or other distributed publication(s) beyond a one-time informational announcement unless the amounts paid by the purchasers are at least the amounts required above.

Distribution of the non-host publication(s) is not eligible for inclusion in paid circulation but can be reported as analyzed non-paid circulation in Bureau reports, provided this reporting is permitted for that publisher division.

The average number of copies the host can report as paid circulation that involve the distribution of other publications must be stated in the paragraphs of Bureau reports devoted to general explanations.

The explanation must identify the other publication(s) distributed and their basic price.

**(e) With Premiums**

These provisions apply to carrier-delivered as well as mail subscriptions.

**(1) Newspapers with Newspapers**

When a premium is used with a combination offer, the amount paid by the purchaser must not be less than the value of the premium as defined in Rule C 5.2 plus the amount required in this rule.

**(2) Newspapers with Periodicals**

When a premium is used with a combination offer, the subscriber must pay a minimum of 25 percent of the basic price of the newspaper for the term ordered, plus at least the qualifying amount as defined by the periodical's Paid Circulation Defined rule, plus the value of the premium, whether stated or not.

If the newspaper subscription has a term of less than one year included in the offer, the subscriber must pay a minimum of 25 percent of the basic price for the term offered.

If there is no basic price for the term offered, the subscriber must pay a minimum of 25 percent of a pro rata of the basic price for the next shorter term.

If there is no shorter term available, calculate the pro rata of the next longer term.

Percentages will be calculated on either subscription prices or newsstand prices, according to the prices quoted in the offer or used in formulating the claimed total value of the offer.

Newspapers may reprint and sell their own editorial content on a stand-alone basis, without invoking the Combination Sales rule, provided it is not offered for sale on a stand-alone basis until after the publication date of the newspaper that carried the editorial content.

For further information, consult ABC's Web site: [www.accessabc.com](http://www.accessabc.com) or contact an ABC Publisher Relations manager.



## NEWSPAPERS – Page 27

### Rule C 5.9 Subscriptions Purchased with Award Points [previously Rule C 5.13]

#### AMENDED RULE

ABC's Board voted to modify Rule C 5.9 Subscriptions Purchased with Award Points, as part of a comprehensive review of the ABC rulebook. (Effective July 22, 2006.)

### C 5.9 Subscriptions Purchased with Award Points

~~Subscriptions to a publication purchased through the redemption of trading stamps or award points (to include frequent flyer miles) shall qualify as paid only upon satisfactory evidence that the cash value of the trading stamps or award points is equivalent to 25 percent of the pro rata of the basic annual subscription for the term of the order. The transactions must be fully explained in Publisher's Statements. Adequate records must be available to verify that the proper payment has been received.~~

Rule changes are effective immediately unless noted otherwise and are the result of ABC's usual two-step approval process unless designated as approved by "unanimous consent."

(a) Subscriptions acquired through the redemption of accrued award credits or loyalty points (e.g., frequent flyer miles, credit card member points) may qualify as paid circulation if the publisher presents satisfactory evidence that the cash value of the redeemed product or service is equivalent to 25 percent of the pro rata of the basic annual subscription price for term of the order.

These "loyalty programs" require that the participant record a specific volume of transactions to earn sufficient award credit for award points.

**(b) Requirements**

Sufficient documentation must exist to demonstrate that the program meets the following qualifications:

**(1) Program**

(a) The enrollment process must include a clear link to the "host" organization.

(b) The participant must take an affirmative action when enrolling in the program.

(c) If points are awarded for enrollment, participants may not initially receive more than 35 percent of the points needed to obtain the least expensive product or service offered in the program.

(d) If an expiration date for points is established, the date must allow for sufficient accumulation of points necessary to redeem the highest valued item prior to expiration.

(e) Each program must have an assigned point value based upon the number of points required to redeem the lowest valued commercially available product (product value divided by assigned points equals per-point value).

(f) Points must be earned as a result of incremental activity or the value of each transaction.

**(2) Participant (consumer)**

(a) The participant must perform a specific action to earn award points.

(b) The participant must perform a specific action to redeem goods or services.

(c) The participant must know the specific activity required to earn points including the volume of points that can be earned with each activity.

(d) The participant must be able to accrue points for future redemption opportunities.

(e) Participant must have sufficient access to their account status on a regular basis.

(f) There must be proof that proper payment was received from the participant for the redeemed items.

**(3) Point Values**

Per-point valuation must be established as follows:

(a) All items offered for point redemption must have a stated value in points or dollars.

(b) An option must exist for point redemption for a mixture of publication and non-publication items.

At least 20 percent of all items offered must be non-publication items. For non-publication items, at least 50 percent of them must be commercially available (in the public domain) for consumer purchase.

(c) The value of each commercially available item must be equal to or greater than the average value of all publications included in the offer.

(d) The number of points required for redemption should be an extension of the per-point value calculation (product value divided by assigned points equals per-point value) multiplied by the stated value. This calculation must be consistent for all (publication and non-publication) award items.

(e) The average price calculation formula will be equal to the per-point value multiplied by the number of points required to purchase the subscription.

**(c) Reporting**

The average number of copies served in the period from subscriptions purchased through the redemption of trading stamps or award points (to include Frequent Flyer Miles) and a full explanation of the program details, value assigned to the points redeemed and the term and price of subscriptions served will be made in the Explanatory Paragraph of Publisher's Statements and Audit Reports.



**NEWSPAPERS – Page 27**

**Rule C 5.13**  
**Subscription Offer Based on Acceptance**  
**Unless Declined**

[previously Rule C 5.17]

**AMENDED RULE**

*ABC's Board voted to modify Rule C 5.13 Subscription Offer Based on Acceptance Unless Declined, as part of a comprehensive review of the ABC rulebook. (Effective July 22, 2006.)*

**C 5.13 Subscription Offer Based on Acceptance Unless Declined** *[this is a complete re-write of the old rule]*

Subscriptions resulting from offers that are based upon the assumption that the offer has been accepted unless specifically declined, qualify as paid circulation if money has been collected to qualify the subscription.

This rule does not apply to newspaper carrier and mail subscription offers in which the terms of the contract changed. See C 1.1(d).

Newspapers that change frequency of delivery without receiving subscriber affirmation ("forced conversions") must disclose the following in the explanatory paragraph of Bureau reports:

- the number of subscribers converted to the new frequency and the impact upon average paid circulation;
- the effective date of such a change; and
- the ABC defined geographic market area in which the change took place.

In addition, the former frequency of delivery must be eliminated and cannot be reinstated for at least three months.

For those newspapers not reporting circulation by day-of-week, further disclosure of circulation statistics must be made for the affected market area when the frequency change causes the average paid circulation in that market area to vary by more than 15 percent from the other days of the week.



Rule changes are effective immediately unless noted otherwise and are the result of ABC's usual two-step approval process unless designated as approved by "unanimous consent."



## NEWSPAPERS – Page 33

### Rule C 9.1 Supplemental Analysis *[new paragraph (g) only]*

#### AMENDED RULE

ABC's Board voted to modify Rule C 9.1 Supplemental Analysis, in order to extend the 15% error tolerance applicable to third party home delivered copies permanently. (Effective July 24, 2006.)

#### C 9.1 Supplemental Analysis *[paragraph (g) only]*

(g) A total allowance of up to 15% for random/occasional delivery errors and false no goods will be permitted in evaluating the results of in-field testing of Address-Specific Home Delivered copies.



## BUSINESS PUBLICATIONS – Page 40

### Rule D 2.9 Partnership Sales

#### NEW RULE

ABC's Board voted unanimously to add Rule D 2.9 Partnership Sales to allow business publication members to sell subscriptions and/or single issues on a deductible basis with a business partner's goods and/or services. (Effective July 24, 2006.)

#### D 2.9 Partnership Sales

(Also see Policies and Practices, Regarding Newspapers, Farm Publications, and Farm Publications Sold with the Sale of Other Services.)

All copies purchased by individuals and tied to a partnership agreement (e.g. subscription/single copy of a business publication partnered with a purchase, a product, or other service) shall be classified as "Partnership" subscriptions or single copy sales and shall be reported in Publisher's Statements and Audit Reports per the provision of paragraph (g) below, except as otherwise permitted or prohibited by the following provisions:

(a) The purchaser is notified of the inclusion of the business publication subscription at the point of purchase.

(b) The amount to be allocated to the subscription is presented in a clear and reasonable manner in all written information.

(c) The amount to be allocated to the subscription is identified in a clear and reasonable manner as being deductible from the purchase price.

(d) The value of other benefits may be calculated as the total cost of purchasing the partnership element without the business publication subscription, provided these benefits are identical to the benefits offered for the purchase which includes a business publication subscription.

(e) The total price paid must be at least one cent plus the cost of the purchase without the business publication subscription and shall be the same as the amount identified as deductible for the subscription value. For publications making an average price claim, this amount identified as deductible shall be used in the calculation as the value of the publication.

(f) In the case of single copy sales, the purchase price of the business publication (single copy price) must be deductible at the point of purchase.

(g) Publications that sell partnership subscriptions and single copy, shall list the average number of copies served as "Partnership Subscriptions" and/or "Partnership Single Copy" and a full description of the sale in the Explanatory Paragraph.



## BUSINESS PUBLICATIONS – Pages 41 & 42

### Rule D 5.2 Business Analysis *[paragraph (f) only]*

### Rule D 5.3 Age of Source *[paragraphs (b) and (c) only]*

### Rule D 5.4 Mailing Address *[paragraph (a) only]*

#### AMENDED RULES

ABC's Board voted unanimously to modify Rules D 5.2 Business Analysis, D 5.3 Age of Source, and D 5.4 Mailing Address to allow business publication members to update demographic and mailing address statistics until the Publisher's Statement filing deadline; and to allow publishers to have the opportunity to update Age of Source data through the end of the respective Publisher's Statement period. (Effective July 24, 2006.)

#### D 5.2 Business Analysis *[paragraph (f) only]*

(f) The classifications assigned by the publishers must be based on information obtained from business cards, letterheads, recognized directories, questionnaires, telephone interviews or other acceptable evidence.

When questionnaires are used to obtain specific information concerning a subscriber's job function, the questionnaire shall be written so as to determine the most important or primary interest in the field served by the publication.

All such data must be carefully preserved for the auditor's examination. The Bureau reserves the right to subject the assigned classification to verification letter and/or telephone call tests if for any reason the evidence produced is not considered to be sufficiently conclusive.



Rule changes are effective immediately unless noted otherwise and are the result of ABC's usual two-step approval process unless designated as approved by "unanimous consent."

No information may be used for classification purposes ~~which~~ that was obtained more than three years prior to the date of the issue analyzed. No information may be used for classification purposes that was obtained after the filing deadline for the Publisher's Statement.

#### D 5.3 Age of Source [paragraphs (b) and (c) only]

(b) The analysis of age of source data shall appear in Paragraph 3(b). The issue analyzed must be the same as used in the Business Analysis (Paragraph 3(a)) and the Geographic Analysis (Paragraph 4). No information may be used for classification purposes that was obtained after the end of the Publisher's Statement period.

(c) Separate analyses by age of the source document (1, 2, and 3 years) must be made for each non-paid circulation to field served category for which circulation averages are reported in Paragraph 1(b). Publishers are also required to report internet/e-mail generated production as a separate line item in Paragraph 3B of ABC reports.

If paid circulation is analyzed, publishers shall have the option to either report separate figures for each age of source category (1, 2, and 3 years) or allocate paid circulation to non-paid source categories according to the following criteria:

Individual Subscriptions to Direct Request from Recipient – Written;

Association Subscriptions (if deductible from dues) to Direct Request from Recipient – Written;

Association Subscriptions (if non-deductible from dues) to Communication Other Than Request – Written;

Bulk Subscriptions to Communication Other Than Request – Written.

#### D 5.4 Mailing Address Analysis [paragraph (a) only]

(a) Publisher's Statements and Audit Reports of business publications shall contain an analysis by recipient mailing address of qualified non-paid circulation. The issue analyzed must be the same as used for the Business and the Geographic Analyses. Business publications shall have the option to report an analysis by recipient mailing address of paid subscription circulation. No information may be used for classification purposes that was obtained after the filing deadline for the Publisher's Statement.

Paid and non-paid circulation shall be reported in separate columns if the paid circulation equals or exceeds 50 percent of the total.



#### BUSINESS PUBLICATIONS – Page 50

#### Rule D 13.3 Consolidated Media Report

#### NEW RULE

*ABC's Board voted unanimously to add Rule D 13.3 Consolidated Media Report, which allows business publication members to report qualified circulation, unique visitor website activity, pass-along statistics and other auditable media exposure in one aggregated figure. (Effective July 24, 2006.)*

#### D 13.3 Consolidated Media Report

Publisher members may make available a consolidated report of ABC/ABCi/ABVS audited qualified circulation, pass-along receivership, unique website visitors / registered users, newsletter distribution, and other auditable forms of media, under the following conditions:

(a) The various forms of media are homogeneous in terms of editorial content when compared to the host ABC member publication.

(b) Advertising is offered for sale in combination.

(c) The distribution for all forms of analyzed media must be derived from the current released Supplemental Data Report / Publisher's Statement.

(d) The Consolidated Media Report must contain the following:

- A summary of the report's content, which would identify the original ABC report in which the data first appeared, and/or an audit statement for all data not previously disclosed in an ABC report.
- An aggregation of the total circulation / distribution / exposure of all forms of media analyzed.
- The report shall clearly identify that the figures are "gross" and that no effort has been made to eliminate any duplicate circulation / distribution / exposure.

(e) The report may also contain one or more of the following:

- Demographic characteristics / Age of Source / Mailing Address of all, or any portion of, the media analyzed.
- Geographic analysis of all, or any portion of, the media analyzed.
- Any other characteristics of the recipients of the circulation / distribution / exposure of the media analyzed, which are supported by auditable records, and subject to the approval of the Managing Director.



Rule changes are effective immediately unless noted otherwise and are the result of ABC's usual two-step approval process unless designated as approved by "unanimous consent."



## MAGAZINES – Page 66

### Rule F 2.1 Sponsored Sales

[new paragraph (c) only ... old paragraphs (c) thru (l) are now re-lettered (d) thru (m)]

#### AMENDED RULE

ABC's Board voted unanimously to modify Rule F 2.1 Sponsored Sales, to require payment for a sponsored sale within four months of start of service. (Effective January 1, 2007.)

**F 2.1 Sponsored Sales** [new paragraph (c) only ... old paragraphs (c) thru (l) are now re-lettered (d) thru (m)]

(c) Sponsored sales sold on a promise-to-pay basis must be paid within four months of the start of service.



## MAGAZINES – Page 67

### Rule F 2.4 Association, Organization and Society Subscriptions [paragraph (b) only]

#### AMENDED RULE

ABC's Board voted unanimously to modify Rule F 2.4 Association, Organization and Society Subscriptions, as part of a comprehensive review of the ABC rulebook. (Effective July 22, 2006.)

**F 2.4 Association, Organization and Society Subscriptions** [paragraph (b) only]

~~(b) In order for subscriptions to qualify as association or society subscriptions as outlined in (a) above, the association, society or parent corporation must meet postal and federal or state tax rules as a non-profit entity and must be governed by a board of directors, who serve on a voluntary basis.~~

~~Association or society subscriptions will be reported separately with a full explanatory provided in the explanation paragraph identifying the association or society, dues allocation for the magazine, and other benefits of membership.~~

(b) To qualify as association or society subscriptions, the association must meet postal requirements as well a federal or state tax rules as a non-profit or not-for-profit.

Association or society subscriptions will be reported separately in ABC Publisher's Statements and Audit Reports and a complete explanation provided in the explanatory paragraph of the reports identifying the association or society, the dues allocated for the magazine and other benefits of membership.



## MAGAZINES – Page 68

### Rule F 2.7 Club/Membership Subscriptions

#### AMENDED RULE

ABC's Board voted unanimously to modify Rule F 2.7 Club/Membership Subscriptions, as part of a comprehensive review of the ABC rulebook. (Effective July 24, 2006.)

**F 2.7 Club/Membership Subscriptions** [this is a complete re-write of the old rule]

For program approval and ABC Audit Requirements, consult ABC's Web site: [www.accessabc.com](http://www.accessabc.com).

(a) "Club/Membership" is defined as a group of individuals who belong to an organization for a common purpose. The "club" either meets regularly, provides a location for members to use, or has ongoing communications with the members on a "common purpose" subject.

Club/Membership subscriptions are structured so that the magazine subscription and the related value of the magazine are presented as either deductible or non-deductible from the dues paid by the club member.

(1) The club member must be notified at the point of joining the club that a portion of their dues payment includes a subscription to the publication.

(2) The dues invoice must state the amount allocated to the subscription.

(3) The amount allocated for the subscription must be in accord with Rule F 1.1 Paid Circulation Defined and presented in a clear and reasonable manner in all written membership information.

Consult ABC's Web site: [www.accessabc.com](http://www.accessabc.com) for specific requirements regarding notification requirements to the consumer.

(4) For nondeductible only, members must have the option to "opt" out of the club/membership program, but may continue as subscribers at the same or greater price as allocated as part of the membership dues fee.

(5) For nondeductible only, the value of tangible products or services (premiums) plus the amount allocated for the subscription cannot exceed the amount charged as dues.

(6) Organizations meeting postal and federal/state tax rules as a non-profit or not-for-profit entity, will be evaluated under Rule F 2.4 "Association, Organization and Society Subscriptions."

(b) Categories of Club/Membership Programs

(1) Deductible Club/Membership Subscriptions

The allocated amount of the subscription may be deducted from dues.

The amount of the subscription must be presented to the club member with an option to decline the subscription either by:

(a) notification on the membership dues invoice offering a reduction of dues for the allocated subscription amount, or

(b) a rebate/refund approach directly from the publication in an external communication subsequent to the membership dues being paid.

Clear and simple instructions on how to process a refund should require minimal effort by the member.



Rule changes are effective immediately unless noted otherwise and are the result of ABC's usual two-step approval process unless designated as approved by "unanimous consent."

**(2) Nondeductible Club/Membership Subscriptions**

The allocated amount of the subscription cannot be deducted from dues.

The dues invoice must state the amount allocated to the subscription.

Members must have the option to opt-out of the club/membership program, but may continue as subscribers at the same or greater price as allocated as part of the membership dues fee.

The value of tangible products or services (premiums) plus the amount allocated for the subscription cannot exceed the amount charged as dues.

**(c) Requirements**

**(1)** To qualify as paid circulation, the following elements are required to report club/membership subscriptions as either deductible or non-deductible:

(a) For nondeductible only, the publication must be editorially homogeneous with the defining characteristics of the club/membership.

(b) Verification that annual dues were actually paid by the club member.

(c) The amount allocated to the subscription must be at least one cent.

(d) The club member must be notified of the inclusion of the magazine subscription as a membership benefit and the value assigned to it is included in dues.

(e) For Deductible Only – Verification that the club member was given clear and reasonable information on how to obtain a refund instead of receiving the magazine subscription.

**(2)** A program review by ABC requires:

(a) For a Classification Review:

A complete description of the club/membership program, including information regarding the benefits of the club and the manner in which the club is promoted and membership/ enrollment materials used to sell the club package.

(b) For a Pre-Qualification Review:

Documentation of the consumer notification, the method used for the inclusion of the magazine subscription in the purchase, and, for deductible club/membership subscriptions, the option for the consumer to decline the magazine and the refund process.

**(d) Reporting**

All Club/Membership Subscriptions will be reported separately in ABC Publisher's Statements and Audit Reports and noted as either deductible or nondeductible.

A full description of the club, including the benefits and, where applicable, the value of club benefits, will be provided in the explanatory paragraph of Bureau reports.

Sales identified as deductible will be included in the average price calculation and will be noted in the average price paragraph of Bureau reports.

Sales identified as nondeductible will be excluded in the average price calculation and will be noted in the average price paragraph of Bureau reports.

All Club Membership subscriptions are included in the "Channels of Sales" section of Bureau reports.



**MAGAZINES – Page 68**

**Rule F 4.1  
Publisher's Statements**  
*[paragraph (c) only]*

**AMENDED RULE**

*ABC's Board voted unanimously to modify Rule F 4.1 Publisher's Statements, to allow ABC management to withhold a member from FA-FAX when necessary audit materials have not been provided within six months of the close of the statement period. (Effective January 1, 2007.)*

**F 4.1 Publisher's Statements** *[paragraph (c) only]*

(c) All Publisher's Statements submitted to the Bureau for publication shall be accompanied by forms and schedules as deemed necessary by the managing director. Failure to submit completed forms and schedules by the last day of the subsequent Publisher's Statement period will result in the suspension of all report services, to include suspension from the ABC FAS-FAX document, for the member until such time as the necessary forms and schedules are provided to the Bureau.



**MAGAZINES – Page 71**

**Rule F 7.1  
Deferred Subscriptions**

**AMENDED RULE**

*ABC's Board voted unanimously to modify Rule F 7.1 Deferred Subscriptions, as part of a comprehensive review of the ABC rulebook. (Effective July 22, 2006.)*

**F 7.1 Deferred Subscriptions**

~~The deferred subscription plan is that by which subscribers receive the publication a month or more after the on sale date and is served from returns. If one cent or more shall have been obtained for such subscriptions, they shall be classed as paid but shown as a separate classification.~~

Under the deferred subscription plan, individual subscribers receive a publication one month or more after the on-sale date. These issues are served from returns. If subscribers pay a qualifying price, these subscriptions are classified as paid, but reported as a separate classification. Deferred subscriptions are not applicable to sponsored sales.



**MAGAZINES – Page 71**

**Rule F 7.2  
Back Copies**  
*[paragraph (d) only]*

**AMENDED RULE**

*ABC's Board voted unanimously to modify Rule F 7.2 Back Copies, to clarify that publications issued bi-monthly may service one issue as a back copy and report this issue as paid. (Effective with the January 1, 2006 issues forward.)*



Rule changes are effective immediately unless noted otherwise and are the result of ABC's usual two-step approval process unless designated as approved by "unanimous consent."

### F 7.2 Back Copies [paragraph (d) only]

(d) A new subscriber (or magazine recipient in cases of sponsored or verified subscriptions) who has not specifically ordered back copies as part of a subscription is eligible to be served one issue preceding that which is currently being mailed in the case of bi-monthly and monthly published publications and two issues preceding that which is currently being mailed for publications of greater frequency, and such copies may be included in paid circulation. (In order that publishers conform to a consistent policy of start issues, the above applies irrespective of different cover dates and/or mailing schedules of publications.)



### MAGAZINES – Page 73

### Rule F 8.9 Subscriptions Purchased with Award Points

#### AMENDED RULE

*ABC's Board voted unanimously to modify Rule F 8.9 Subscriptions Purchased with Award Points, as part of a comprehensive review of the ABC rulebook. (Effective July 22, 2006.)*

### F 8.9 Subscriptions Purchased with Award Points

~~Subscriptions to a publication purchased through the redemption of trading stamps or award points (to include Frequent Flyer Miles) shall qualify as paid only upon satisfactory evidence that the cash value of the trading stamps or award points is equivalent to one cent or more. Adequate records must be available to verify that the proper payment has been received.~~

(a) Subscriptions acquired through the redemption of accrued award credits or loyalty points (e.g., frequent flyer miles, credit card member points) may qualify as paid circulation if the publisher presents satisfactory evidence that the cash value of the redeemed product or service is equivalent to one cent or more.

These "loyalty programs" require that the participant record a specific volume of transactions to earn sufficient award credit for award points.

#### (b) Requirements

Sufficient documentation must exist to demonstrate that the program meets the following qualifications:

#### (1) Program

(a) The enrollment process must include a clear link to the "host" organization – the organization attempting to build brand loyalty and increase sales.

(b) The participant must take an affirmative action when enrolling in the program.

(c) The program must include discretionary goods and services, in addition to the magazine.

(d) If points are awarded for enrollment, participants may not initially receive more than 35 percent of the points needed to obtain the least expensive product or service offered in the program.

(e) If an expiration date for points is established, the date must allow for sufficient accumulation of points necessary to redeem the highest valued item prior to expiration.

(f) Each program must have an assigned point value based upon the number of points required to redeem the lowest valued commercially available product (product value divided by assigned points equals per-point value).

(g) Points must be earned as a result of incremental activity or the value of each transaction. Merely being in the program for a length of time ("tenure") does not count as activity.

(h) Points cannot be used to purchase "dollars-off" coupons.

#### (2) Participant (consumer)

(a) The participant must perform a specific financial action to earn award points.

(b) The participant must perform a specific action to redeem goods or services.

(c) The participant must know the specific activity required to earn points including the volume of points that can be earned with each activity.

(d) The participant must be able to accrue points for future redemption opportunities.

(e) Participant must have access to their account status on a regular basis.

(f) There must be proof that proper payment was received from the participant for the redeemed items.

#### (3) Point Values

Per-point valuation must be established as follows:

(a) All items offered for point redemption must have a stated value.

(b) An option must exist for point redemption for a mixture of publication and non-publication items.

At least 20 percent of all items offered must be non-publication items. For non-publication items, at least 50 percent must be commercially available (in the public domain) for consumer purchase.

(c) The value of each commercially available item must be equal to or greater than the average value of all publications included in the offer.

(d) The number of points required for redemption should be an extension of the per-point value calculation (product value divided by assigned points equals per-point value) multiplied by the stated value. This calculation must be consistent for all (publication and non-publication) award items.

(e) The average price calculation formula will be equal to the per-point value multiplied by the number of points required to purchase the subscription.

#### (c) Reporting

The average number of copies served in the period from subscriptions purchased through the redemption of trading stamps or award points (to include Frequent Flyer Miles) and a full explanation of the program details, value assigned to the points redeemed and the term and price of subscriptions served will be made in the Explanatory Paragraph of Publisher's Statements and Audit Reports.

For the average price calculation formula, the sale shall be equal to the per-point value multiplied by the number of points required to purchase the subscription.



Rule changes are effective immediately unless noted otherwise and are the result of ABC's usual two-step approval process unless designated as approved by "unanimous consent."



MAGAZINES – Page 77

**Rule F 15.1**  
**Verified Circulation**  
*[paragraphs (e) thru (g) only]*

**AMENDED RULE**

*ABC's Board voted unanimously to modify Rule F 15.1 Verified Circulation, to allow back copies to be served for new verified subscription starts. (Effective with January 1, 2006 issues.)*

**F 15.1 Verified Circulation** *[paragraphs (e) thru (g) only]*

(e) Verified Public Place will represent copies intended for use in waiting room locations and hotel rooms and for use by patrons of the business establishment at that location and not intended for individual pick-up and removal. To qualify to be reported as Public Place, the following conditions must be met:

(1) Each business establishment identified as a public place must be given the ability to opt-out as a receiving location on an annual basis.

(2) No more than three copies of each issue of any magazine may be served to a public place location, however no limit will be placed on the total number of unique magazines that may be served to each public place location.

(3) There must be at least two consecutive issues served for each unique magazine at each public place location.

~~(4) Public place circulation must be made of current issues; no back copy (see F 7.2) service will be eligible to be reported as verified circulation.~~

(5) Copies to be distributed to hotels as Public Place locations must also meet the following criteria:

(i) Publications of monthly or less frequency may provide a maximum of two copies per hotel room to each hotel location;

(ii) Publications of greater than monthly frequency may provide a maximum of one copy per hotel room to each hotel location;

(iii) The publisher or publisher's agent must maintain a current contract with each hotel or responsible hotel corporate management. The contract is to be signed by an individual in senior management at the hotel. The contract must stipulate the hotel's agreement to participate, confirm the number of copies of each unique magazine to be provided, and identify the specific locations within the hotel where the copies are to be placed. The contract must be renewed at least annually.

(f) Verified Public Place circulation must also be analyzed so as to report the number of copies distributed to the top five location types (e.g., doctors/healthcare provider locations, personal care salons, etc.). A standard listing of location types will be maintained by ABC.

(g) Verified Individual Use circulation will represent copies delivered to individuals who have been provided the option to 'opt-out' and not receive the magazine. The 'opt-out' option must be presented to the recipient within three months of the initial start of service, and at least annually thereafter. Publishers electing to offer an 'opt-in' may do so and report the circulation as Verified Individual Use if the provisions of F 15.2 are followed.

~~(1) Only one subscription per household may be reported as Verified Individual Use. Verified Individual Use circulation must be served from current issues; no back copy service (see F 7.2) will be eligible to be reported as verified circulation.~~

(2) Verified Individual Use circulation must also be analyzed as to the top five sources of names included in the category (e.g. show attendees, charitable donors, individual requested, etc.). A standard listing of source categories will be maintained by ABC.

(3) Copies originally served by a publisher with the intention to qualify as 'paid' circulation, shall not be eligible to be reported in ABC Publisher's Statements as 'Verified Individual Use' but rather may be eligible to be reported as 'analyzed non-paid market coverage' copies.

(4) Copies originally reported as 'paid' circulation and subsequently disqualified through the audit process are not eligible to be reported as Verified Individual Use but rather may be eligible to be reported as 'analyzed non-paid market coverage' copies unless it can be shown to the satisfaction of the Managing Director that each individual recipient took an affirmative action to specifically order the magazine at the inception of service.

(5) Recipients must be served at least two consecutive issues.