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**Rule D 1.1
Paid Circulation Defined**

AMENDED RULE

ABC's Board of Directors voted unanimously to modify Rule D 1.1 Paid Circulation Defined, to reflect the long-standing practice of processing expired subscriptions at the end of the month. The additional copies served between the actual expire and the end of the month qualify as paid circulation. This would apply to publications that are published on a weekly or bi-weekly frequency. (Effective November 7, 2005.)

D 1.1 Paid Circulation Defined

Paid circulation is hereby defined to be copies of publications ~~which that~~ have been paid for by the purchasers, not for resale, under the following conditions, viz.:

(a) If the sale ~~be is~~ a single copy sale, it shall be paid for at not less than one cent.

(b) Subscription Sales:

On term order for any period the subscription must be paid for at not less than one cent.

A price for a period of less than one year that is less than a pro rata of the basic annual price shall not be considered a basic price.

(c) Subscriptions may be served for no longer than 25%percent of the original term ordered, with a maximum of three consecutive months immediately following the expiration date and such post expires may be included in paid circulation. For publications that have a break in service,

e.g., published only during the winter months or all months except the three-month period during the summer, the subscriber may receive post-expires service of 25%percent of the original term ordered up to three consecutive months immediately following the expiration date or up to all consecutive issues published between expiration and the break in service plus a maximum of one month following the break in service, with the total number of copies served in post expires limited to the number of issues published within three months, and said service can be included in paid circulation.

Post-expiration copies, if served, must be distributed prior to the distribution of the next regularly scheduled issue.

(1) For publications that are published on a weekly or bi-weekly frequency, the publisher may opt to use a month end common expire date. For publications using the common expire date, incremental copies served during the month of expire (one to four copies per subscription) shall be considered paid circulation, not post-expire copies. If used, the practice shall be disclosed in the explanatory paragraph of ABC reports.

(d) Subscriptions to any publication received as a result of an offer by a publisher that stipulates that part of the subscription term is free will qualify for inclusion in paid circulation only when a contractual agreement exists for the full term of the subscription and is in accord with the provisions of Paragraph (b) above. Without such contractual agreement, those copies which a subscriber is informed are free shall ~~be~~ not qualify as paid circulation and instead shall be set up in unpaid circulation.

(e) Unless stated otherwise, the amount paid by the purchaser/subscriber required to qualify circulation as paid, is net of all other considerations.



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**Rule D 7.3
Collection Stimulants**

AMENDED RULE

ABC's Board of Directors voted unanimously to modify Rule D 7.3 Collection Stimulants, to allow inducements to be offered in exchange for providing demographic information in a timely manner. (Effective November 7, 2005.)

D 7.3 Collection Stimulants

(a) Any inducement offered for prompt payment, or for providing demographic information, in excess of 10 percent discount of the original offer price (and provided the value of the discount does not equal or exceed the offer price) or up to one month of additional subscription service and offered subsequent to the receipt of a subscription order, is a collection stimulant. Any inducement offered for prompt payment prior to receipt of a subscription order in excess of a 10 percent discount of the original offer price, or up to one month of additional subscription service, is not a collection stimulant but is a reduced price or premium, whichever applies, and must be so reported. A collection stimulant may be extra copies of the publication or a cash discount or anything of an extraneous nature, and shall be described in the explanatory paragraph of the Publisher's Statements and Audit Reports as a collection stimulant.

(b) The number of subscribers availing themselves of collection stimulants during any regular Publisher's Statement period shall be reported in the explanatory paragraph of the Publisher's Statement and in the Audit Report covering the Publisher's Statements even though the subscription order may have originated in some prior period.



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Rules

F 1.2 Prices

F 2.1 Sponsored Sales

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F 8.9 Subscriptions Purchased with Award Points

F 13.4 Age of Source

AMENDED RULES

ABC's Board voted unanimously to modify Rules F 1.2 Prices; F 2.1 Sponsored Sales/ F 2.4 Association, Organization and Society Subscriptions; F 2.6 Partnership Sales; F 2.7 Club/Membership Subscriptions; F 5.1 Geographic Analysis; F 7.2 Back Copies; F 8.4 Subscription/Single Copy Sales in Combination; F 8.8 School Subscriptions; F 8.9 Subscriptions Purchased with Award Points; and F 13.4 Age of Source, in connection with an updated report format. (Effective with the June 2006 report period.)

F 1.2 Prices

(a) Publisher-suggested prices (subscriptions and/or single copy) are the prices at which the publication may be purchased by anyone, at any time, for a definite duration. No special, reduced or higher price, no matter how often or how regularly repeated, even though established through announcement in the masthead or by any other means, shall be considered a bona fide publisher suggested price.

(b) Publisher-suggested prices must be reported in the semi-annual Publisher's Statements. Only those prices appropriately established as publisher-suggested prices in the judgment of the managing director will be recognized by the Bureau as publisher-suggested prices. In situations where a publisher changes single copy price during the Publisher's Statement period, reporting in the semiannual Publisher's Statement shall be the average of all issues' single copy cover price published in the period.

~~(c) Sales generated at prices equal to or less than 35% of the Average Annualized Price as reported in a Publisher's Statement period shall be itemized by price point and by volume (production) within the Publisher's Statement. (See F 1.4)~~

~~When sales generated at prices equal to or less than 35 percent of the Average Annualized Price as reported in the Publisher's Statement period exceed 1 percent of the total sales which occurred in the period, all sales at less than 35 percent of average price shall be itemized by price point and by volume (production) within the Publisher's Statement. When total sales in the period at prices equal to or less than 35 percent of the Average Annualized Price are equal to or less than 1 percent of total sales of the period, disclosure of the facts shall be made in the Explanatory Paragraph.~~

~~Sales for periods of less than one year or greater than one year shall be compared against a pro rata of the average annualized price to determine eligibility for this reporting.~~

~~In addition, premium values, if any, shall be adjusted from sales prices in determining eligibility for this reporting.~~

~~(d) For publications newly admitted to membership the analysis shall be mandatory no later than the third Publisher's Statement issued following release of an initial audit.~~

~~(e) Publisher-suggested prices: Types of service for which a Ppublisher-Suggested Pprice shall be recognized and reported in Bureau reports are:~~

~~(1) Single-Copy Sales - one only publisher-suggested price.~~

~~(2) Subscriptions - one only publisher-suggested price for each regularly established duration.~~

~~(3) One only scale of such publisher-suggested prices for each country as stipulated by the publisher.~~

F 2.1 Sponsored Sales (paragraphs (f) thru (i) only)

~~(f) The average number of copies served in the period for sponsored subscriptions shall be reported in Paragraph 4B separately, with an explanation in the Explanatory Paragraph.~~

~~In addition, publishers shall have the option of reporting these sales by distribution points (i.e. e.g. airlines, hotels, waiting rooms, individually addressed, etc.).~~

~~(g) The average number of copies served in the period from sponsored single copy sales shall be reported in Paragraph 4B separately, with an explanation in the explanatory paragraph of Publisher's Statements and Audit Reports.~~

~~(h) On an optional basis, publishers may elect to further analyze Ssponsored Ssales (subscription and/or single copy) as either "Public Place/Sponsored" or "Individually Addressed/Sponsored" as per the following definitions:~~

~~"Public Place/Sponsored" sales are copies delivered to waiting rooms, reception areas or other public settings to be shared by multiple consumers, or to be picked up by unknown users of the venue.~~

~~"Individually Addressed/Sponsored" sales are copies delivered to private residences or business offices and intended for the personal consumption of the addressee.~~

~~Only those publications that have adequate records to verify classification as defined above should consider making this optional reporting analysis.~~

~~(i) If a magazine is the official journal of an association and the majority of the subscriptions are Aassociation, Ssponsored Ssales subscriptions may be included with Aassociation Ssubscriptions in Paragraph 4B if the average for the period does not exceed 10 percent of the total average subscription circulation.~~



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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 in Paragraph 1 of the statement separately with a full explanatory provided in the explanatory paragraph identifying the association or society, dues allocation for the magazine, and other benefits of membership.

F 2.6 Partnership Sales (paragraphs (g) and (h) only)

(g) The average number of copies served in the period from partnership subscriptions shall be reported in Paragraph 4B separately, with an explanation in the explanatory paragraph of Publisher's Statements and Audit Reports.

(h) The average number of copies served in the period from partnership single copy sales shall be reported in Paragraph 4B separately, with an explanation in the explanatory paragraphs of Publisher's Statements and Audit Reports.

F 2.7 Club/Membership Subscriptions (paragraph (f) thru (g) only)

(f) Nondeductible club/membership subscriptions shall qualify for inclusion in paid circulation under the following conditions:

(1) The publication included in the ~~Club/Membership~~ program must be editorially homogeneous with the defining characteristics of the club or membership program.

(2) Annual club/membership dues must be collected from the club/membership members.

(3) Club/membership members shall 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 fee.

(4) The amount to be allocated to the subscription must be at not less than one cent, and the value of tangible products or services (premiums) plus the amount allocated for the subscription cannot exceed the amount charged as dues.

(5) The Explanatory Paragraph of the Bureau Publisher's Statements shall include a full description of the club, to include a listing of all club benefits and, where applicable, the value of club benefits.

~~Nondeductible club/membership subscriptions shall be reported separately in Publisher's Statements and Audit Reports in average paid circulation in Paragraph 4.~~ This disclosure shall be accompanied by a parenthetical note indicating the amount of club/membership dues charged, or range thereof, and the amount of the club/membership dues allocated for the subscription.

(g) The average number of copies served in the period from deductible club/membership subscriptions shall be reported in Paragraph 4B separately, with an explanation in the explanatory paragraph of Publisher's Statements and Audit Reports.

F 5.1 Geographic Analysis (paragraph (a) only)

(a) Paid circulation (except that distributed through newsdealers if less than 25 percent of total distribution) and/or analyzed non-paid circulation shall be broken down by states or provinces based on an issue within a 12-month period.

A count and analysis shall be made in connection with an issue in each audit period. The mail list and summary of the count is to be preserved for examination by the Bureau's auditor. The figures to be used in connection with the following Publisher's Statements shall be based on the percentages for each state as determined from the issue analyzed, and these percentages shall be projected against the total of the issue to be reported in Paragraph 7B.

Publishers have the option to make a count and analysis of an issue for each Publisher's Statement.

F 7.2 Back Copies (paragraph (e) only)

(e) Single issue sales of back copies shall be recognized as paid for a period of three months following the on-sale date of an issue provided the purchaser has specifically ordered the back issues. With prior approval from the managing director, back copies sold from three months to six months following the on-sale date of an issue, and therefore not eligible for inclusion in paid circulation, may be reported in Paragraph 4 as "Other Distribution, Back Copies" with complete explanation in the Explanatory Paragraph. When back issues are packaged with current on-sale issues, only the current issue shall be recognized as paid and only if the amount paid is the full single copy price of the current issue or 50 percent of the combined full prices of all the issues in the package, whichever is highest.

F 8.4 Subscription/Single Copy Sales in Combination (paragraph (c) only)

(c) ~~The total number of subscriptions sold average copies served~~ in the period as a result of a "forced combination" sale shall be shown in Publisher's Statements and Audit Reports in the paragraph devoted to general explanations. In addition, details of the combination offer, to include titles of other publications involved, Publisher Suggested Prices of all publications included, term of offer and total selling price shall be included in Publisher's Statements and Audit Reports ~~in the paragraph devoted to general explanations.~~



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F 8.8 School Subscriptions (Introductory paragraphs only)

The classification "School Subscriptions" in Bureau reports may be shown at the option of the publisher and if shown shall include only copies (either subscriptions or single issue sales) ordered for delivery to schools. Copies may be purchased individually by the recipients or paid for by schools or out of classroom funds.

In cases where qualified copies are paid for by sponsors, it may be acceptable for payment to be made directly to the publisher from the sponsor if other supporting documentation confirming usage (i.e. e.g., affidavits from schools, verification of delivery and receipt, etc.) is available for auditor review.

This circulation shall be shown in ~~Paragraph 4~~ separately as "Subscriptions-School" or "Single Copy Sales-School" and shall qualify as paid circulation provided copies served conform to Bureau rules defining paid circulation in all other respects.

A complete explanation including the manner in which the copies are paid for shall be shown in the paragraph devoted to general explanations in Publisher's Statements and Audit Reports.

Distribution of copies outside of structured classroom settings may also qualify as paid circulation, and reported as NIE – Home Delivered in Bureau reports provided the following conditions are met:

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.

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.

F 13.4 Age of Source (paragraph (c) only)

(c) Separate analysis by age of the source document (1, 2 and 3 years) must be made for each category for which non-paid circulation averages are reported in ~~Paragraph 4~~ except for non-paid bulk.