

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 82

### Rule F 15.1 Verified Circulation

#### AMENDED RULE

*ABC's Board voted unanimously to modify Rule F 15.1 Verified Circulation to:*

- increase the number of allowable copies distributed in hotel guest rooms to a maximum of four copies per issue, per room for magazines published monthly or less frequently.
- create a new set of standards within verified to govern the distribution of consumer magazines to airlines. (Effective November 12, 2007.)

#### F 15.1 Verified Circulation [paragraph (e) only]

(e) Verified Public Place ~~will~~ represents copies intended for use in waiting room locations, ~~and~~ hotel rooms, ~~and~~ for use by patrons of the business establishment at that location, and copies intended for distribution on aircraft or to restricted airline clubs. All such copies are ~~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~~. 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) The copy served must be the current subscription issue being distributed.

(5) Copies to be distributed to hotels for in-room placement as Public Place locations must also meet the following criteria:

(i) Publications of monthly or less frequency may provide a maximum of ~~two~~ four 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.

See attached [page 3] updated standards for verified airline copies (effective Dec. 4, 2007).

(6) Copies distributed to airlines for aircraft or restricted-access club locations to be reported as Verified / Public Place shall be required to adhere to the following conditions:

(i) The publisher / publisher's agent must enter into a formal agreement with the airline for the term of distribution. The agreement must specify the airline's choice of magazine(s); affirmation that the airline has not received other inducements or considerations to participate in the program; and the average number of daily flights operated by the airline (to be based on activity for at least one calendar month). The term of the agreement shall be for not less than two consecutive issues and if the intended distribution is for a period longer than one year, the agreement must be updated at least annually.

(ii) Upon request, the airline must be willing to provide an affidavit attesting that all magazine copies supplied to the airline were distributed by the airline and made available to its customers either on-board aircraft or in restricted-access clubs.

(iii) The maximum number of copies to be provided to an airline by any magazine, regardless of frequency, is two copies per the average daily number of flights operated by the airline. The average daily number of flights is to be based on flight activity for at least one calendar month. For example, an airline operating 200 flights a day for 15 days and 300 flights a day for 15 days would have a daily average of 250 flights.

(iv) The airline shall have full discretion as to where the copies are made available to its customers. For example, the airline may elect to place all copies on only selected flights, or only in restricted-access club locations, or some combination thereof.

(v) Copies that do not meet these qualifications or are placed in other airport public locations and/or made available for pick-up shall not qualify as Verified circulation but rather shall be governed by Rule F 13.5 Analyzed Non-Paid Bulk Defined.

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## B BUSINESS PUBLICATIONS – Page 52

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### D 10.3 Digital Versions and Digital Editions

#### AMENDED RULE

*ABC's Board voted unanimously to modify Rule D 10.3 Digital Versions and Digital Editions to specify that digital copies identified as "bounce backs" must meet all other qualification circulation criteria, including minimum consecutive service, in order to be counted as qualified circulation. (Effective November 12, 2007.)*

#### D 10.3 Digital Versions and Digital Editions [paragraph (e) only]

(e) Provided all other qualification criteria are met, copies identified as delivery issue "bounce backs" may be included in qualified circulation for a limited time frame provided the delivery issue associated with the bounce back is rectified, or the subscriber is purged from the subscriber file in accord with the following scale: daily – 10 issues; weekly – four issues; biweekly – two issues; and monthly – one issue.

Where the initial delivery of a subscriber's digital version / edition takes place outside of the publisher's normal means of distribution, or subsequent to the delivery of the publication's main file, the above schedule is effective with the next scheduled delivery of the main file (both print and digital versions / editions). Any initial digital version / edition served outside of the publisher's normal distribution channel or subsequent to the distribution to the main file is not subject to the "bounce back" schedule, nor is it eligible for inclusion with qualified circulation.

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**\*\*\*Updated Standards for Verified Airline Copies (effective Dec. 4, 2007)\*\*\***

Following the November 2007 board meeting, a special subcommittee of the ABC board clarified the standards that were announced for verified copies distributed to airlines. Below are the updated standards that will be applied by ABC staff pending a vote by the full board at its March 2008 meeting. The previously announced standards have been superceded by the standards approved by the subcommittee.

Publishers may distribute up to two copies per flight, per issue based on the total number of monthly flights for an airline. A maximum of 8,000 copies per airline, per issue may be claimed as verified. These copies may be distributed on board the aircraft or at limited access airline clubs.

The following are examples of calculations to determine the number of allowable verified airline copies:

**Example A:**

Airline XYZ conducts 100 flights per day for the month of June.

- **100 x 30** (the number of flights per day multiplied by the number of days in the month of June)
- **3,000 x 2** (the number of flights per month multiplied by two, the number of copies that may be distributed per issue, per flight)
- **= 6,000** (this is the maximum number of copies per issue, per magazine that can be distributed to Airline XYZ)

Since 6,000 is less than the 8,000-copy maximum, the total number of verified copies that may be distributed to Airline XYZ for the month of June is 6,000 per issue, per magazine.

**Example B:**

Airline JKL conducts 300 flights per day for the month of June.

- **300 x 30** (the number of flights per day multiplied by the number of days in the month of June)
- **9,000 x 2** (the number of flights per month multiplied by two, the number of copies that may be distributed per issue, per flight)
- **= 18,000** (the maximum number of copies that may be distributed to airline is 8,000 per issue, per magazine)

Since 18,000 is more than the 8,000-copy maximum, the total number of verified copies that may be distributed to Airline JKL for the month of June is 8,000 per issue, per magazine.

ABC staff will apply these revised standards pending formal approval by the full ABC board at its March 2008 meeting. For all airline copies, the publisher must continue to demonstrate that a contract is in place with the airline that specifies the following through an affidavit: distribution location, title of the publication requested and number of copies requested for each publication.