



news release

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FOR IMMEDIATE RELEASE

New BPA Rules Broaden Digital, Electronic Opportunities

Also Further Define Consumer Sponsored, Public Place; Broaden “Request by Recipient” Qualification to Cross-Media

Shelton, CT January 9, 2005– Rules amendments passed by BPA Worldwide’s Board of Directors in December include a revised digital products definition designed to make it clear that BPA is prepared to audit stand-alone digital magazines, as well as digital “versions” of print publications. (BPA also audits Web sites and newsletters.)

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Other changes clarify when digital magazines may be reported as benefit-of-membership subscriptions, and adjust the names of certain subscription sources to reflect their inclusion of a wide range of electronic sources.

Non-digital changes include a change in terminology in the consumer magazine sponsored/public place arena. They also include two new opportunities for B-to-B’s: the ability to report questionnaires and other customer communications generated through all types of media within a company (not just sister publications) as qualified “Communication from Recipient or Recipient’s Company”; and the ability to garner multiple subscription requests in a single telemarketing call, when the call is recorded.

The new rules are summarized below shown grouped in the following order: changes relating to both business publication and consumer members; changes relating only to business publications; and changes relating only to consumer magazine members.

To read the full language of the amendments, use the hyperlink below.

<http://www.bpaww.com/rules/All%20December%202005%20Amendments.pdf>

Rule Changes Applying to Both Business Publications and Consumer Magazines:

- **Digital: Definition Broadened, Clarified** The wording of BPA’s definition for digital publications has been changed to make it clear that stand-alone digital magazines (those without a print version) are auditable by BPA and included in the rules, and to clarify confusion over the use of the word “replica” in BPA’s former definition.

Previously, the rules referred solely to a “digital magazine version [of a print publication],” defined as: “Multiple pages of content that are distributed electronically, as a unit. The digital version must be a replica of the print version in terms of editorial (not advertising), subject to the rules governing separate editions and the approval of BPA’s President.”

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The revised rules refer to “digital magazines” (for consumer) or “digital publications” (for B-to-B), and the new definition is: “Multiple pages of content containing articles, graphics, or other features that are distributed electronically, as a unit, and are subject to the rules governing separate editions and the approval of BPA’s President. Enewsletters and Web sites do not qualify as digital publications/magazines.” (The “separate editions rules” referred to exist to define when content is similar enough to be an edition of an existing title versus when it becomes so different that it is considered a separate magazine, requiring a separate audit.)

The revised rules now state that digital and print magazines may be further classified as “versions” or “editions.” A digital “version” of a print publication must include the complete editorial of the original print publication, although not the same advertising, layout or pagination.

For B-to-B publications, the digital rules now further state that a demographic print or digital “edition” must contain at least 50% common editorial content with the original publication, while a geographic print or digital “edition” must have only “common editorial scope” with the original publication. For either demographic and geographic editions, advertising, layout and pagination need not be common. (See Rule B2.4 for additional, existing “separate edition” requirements.)

For consumer magazines, the digital rules now further state that a demographic or geographic “edition” must contain “the same editorial content, with only such variations in editorial matter required by the different demographic or geographic audience served.” For either demographic and geographic editions, advertising, layout and pagination need not be common. (See Rule C2.14 for additional, existing “separate edition” requirements.)

The former rules also required that users be able to navigate pages through a link on the page without changing screens, windows or programs; and that the digital version must have the “look and feel” of the print version. The revised rules do not include these requirements.

- **Digital: Rules for Qualifying Non-Deductible Benefit of Membership Subscriptions** The rules now explicitly state that a digitally distributed consumer or business magazine subscription that is a non-deductible (by the member) part of a membership offer may be reported as qualified circulation, even without a specific request from the member to receive the publication digitally, as long as: a) the digital method of distribution is fully disclosed in the membership literature/offer; and b) each time members receive an issue of the digital magazine/publication, they are given the opportunity to opt out of receiving the digital subscription. Those who opt out must be deducted from circulation prospectively.
- **Digital: “Internet/Email” Personal Direct Request and Request from Recipient’s Company Now to Be Termed “Electronic”** To be inclusive of new electronic methods being used to acquire subscribers and gather their demographic information, the source/channel within business publication Paragraph 3B and consumer magazine Paragraph 5 previously named “Personal Direct Request: Internet and Email” has been changed to “Personal Direct Request: Electronic.” Along the same lines, the channel previously termed “Request from Recipient’s Company: Internet and Email” has been changed to “Request from Recipient’s Company: Electronic.”

One example of a new electronic method being used, which was raised by a BPA member, is to record an individual’s demographic data via electronic swiping of his/her attendee badge at a live event, in conjunction with an on-site, in-person interview to obtain an answer to the requisite “Yes/No I want to receive the magazine” question and a personal identifier.

- **Digital: “Both Digital and Print Column” Removable if Not Applicable** The rules now allow publications that have print-only subscribers, and digital-only subscribers, but do not give subscribers the option of receiving both the print and digital versions of a publication, to remove

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the “Both Print and Digital” column from their circulation reports in applicable paragraphs (rather than leave such columns blank).

- **Digital: Download Reporting Clarification Re Removals, Additions** BPA members with digital circulation continue to have the option of choosing to report on an “issue downloaded by subscriber” basis, rather than the minimum requirement of reporting digital issues delivered, with the subscriber having received an email alert of such delivery. If a member chooses to report on a download basis, any issue that cannot be verified as having been downloaded does not count within the digital download totals reported throughout the statement.

However, a member recently requested clarification as to whether downloaded versus non-downloaded issues should be reflected specifically within Paragraph 2 of the circulation statement—the paragraph in which continuous/non-continuous circulation and additions/removals of subscriber names from the file are reported. The Board determined that, to be consistent with existing continuous circulation rules, as long as an issue can be verified as having been delivered, the circulation is to be reported in Paragraph 2 as continuous, even if not downloaded. Similarly, the Board determined that, since non-downloading status does not represent a removal of a name from the file, and downloads do not represent additions to the file, downloads and non-downloads should not be reported as additions or removals within Paragraph 2.

- **“Statement of Circulation” Renamed; Language Changed; Moved to Paragraphs 11, 8** To be more accurate and inclusive, the “Statement of Circulation” on the BPA consumer magazine and business publication circulation statements will be changed to “Method of Distribution.”

Also, the Method of Distribution paragraph will be moved from the first page of the circulation statement to Paragraph 11 (for business publications) or Paragraph 8 (consumer magazines).

In addition, the statement’s language has been changed. Previously, the statement read: “All qualified circulation conforms to the field served and the definition of recipient qualification as reported above. Copies are distributed via the U.S. Postal Service under a Periodicals Class permit for the print version. Recipients who request the digital version are notified via email when the version is delivered.”

For publications with print circulation, the new language is: “All qualified circulation conforms to the field served [for business publications, or] market served [for consumer magazines] and the definition of a recipient’s qualification, as reported. Print copies are distributed via postal services or other carriers.” For publications with both print and digital circulation, the following statement must also appear: “Recipients who request a digital publication/magazine are notified via [disclose method: email, RSS, instant message, other] when the digital publication is available.” If a publication has only digital circulation, the sentence “Print copies are distributed via postal services or other carriers” is omitted.

Further, the language under Method of Distribution regarding non-continuous circulation, as well as the language regarding multi-copy, same addressee circulation, has been changed. The changes are different for business publications and consumer magazines. See Rules B9.13 for business publications and C9.9 for consumer.

- **Barter Prohibited as Paid Transaction** In response to a member request to provide guidance on barter transactions, BPA’s Board has affirmed that no form of barter is acceptable as a paid transaction, meaning that subscriptions distributed as part of a barter transaction may under no circumstances be reported as paid.

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- **Reporting of Net or “Pick Up” Rates on Bulk Distribution Rejected** A member requested that BPA consider allowing the reporting of net or “pick up” rates on bulk-distributed magazines/publications. The Board rejected such reporting, until such time as it can be convinced that there is an acceptably accurate methodology for tracking pick-up rates.

Rule Changes Applying Only to Business Publications:

- **Telemarketing: Mandatory Recording Date Established as January 1, 2008** At its last meeting, in May 2005, BPA’s Board of Directors unanimously voted to mandate that all outbound “Personal Direct Request: Telecommunications” solicitations must be recorded in order for such circulation to count as qualified. A date for implementation was not set at that meeting. After conferring with circulators and telemarketers, BPA recommended implementation as of January 1, 2008, and the Board has now voted in favor of that date.
- **Telemarketing: Recording Enables Multiple Requests in One Call, Waiving of Personal Identifier Requirement** Effective immediately, publishers may obtain multiple “Personal Direct Request: Telecommunications” subscription requests via one call, as long as the call is recorded and the recordings are made available to the auditor at the time of audit. A reminder: If recordings are provided, personal identification questions are not required.
- **Communication Other Than Request Expanded to Cross Media** BPA rules currently allow standardized questionnaires filled out by a subscriber to a sister publication within a company to be classified as “written” under the category “Communication from Recipient or Recipient’s Company Other than Request.” In recognition that media companies receive communications from customers across many types of media, including Web sites, events, and email newsletters, the rule has now been expanded to allow these communications to also count as qualified circulation for a publication within this circulation category.
- **Addition of Demographic Date Field on Audit Files** To provide BPA with improved ability to identify demographics that have aged beyond the allowed 36 months on business publications, the rules now state that, effective as of July 1, 2006, publishers must include a demographic date field (in addition to the already required source date field) on all audit files sent to BPA (Rule B10.3).
- **Reporting of Non-Qualified in Circulation Report** Last year, in order to create more room for the reporting of top-line data from other BPA-audited forms of a brand’s media on the front page of a publication’s circulation report, BPA moved the reporting of non-qualified circulation from the front page to Paragraph 11 in the business publication circulation report. Now, in line with member requests and approval by the Board, non-qualified reporting has been moved back to the first page. The area allowing for the reporting of other BPA-audited forms of a brand’s media (at the media owner’s option) will remain on the first page.

Rule Changes Applying Only to Consumer Magazines:

- **Market Served** The “Market Served” language on the circulation report has been amended to reinforce the requirement that the market served must be clearly defined and documented in auditable terms (changes are in bold italics): Market Served is: “A statement by the publisher describing, ***in terms of qualification***, one or more selected markets, population groupings or specialized interests with clearly defined limits, ***to whom the magazine is directed. Auditable documentary evidence shall be available to support the conformance to the terms of***
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qualification. For paid circulation (excluding sponsored), a subscription order or retail purchase may suffice for qualification. For sponsored or non-paid circulation, evidence must be available to substantiate the claim of qualification.”

- **Public Place** The circulation category previously labeled “Sponsored Public Place” has been changed to “Public Place,” and its language definition has been amended to clarify that such copies may be either paid or non-paid (Rule C7.24). The new language for Public Place: “**Paid and non-paid** copies intended for distribution to waiting rooms or reception areas, or otherwise distributed in bulk quantities to the purchaser for redistribution by the purchaser **recipient to individuals other than employees**. Such copies may be individually addressed or shipped as multi-copies to the same addressee. **When public place copies are purchased by a sponsor, disclosure requirements of sponsored circulation apply for Paragraphs 3 and 4 of the report.”**
- **Third-Party Agents** The rules, which already stated that subscription agents may not be sponsors of subscriptions or single copies, have been further clarified to specifically state that establishing a “doing business as” name will not qualify an agent to sponsor subscriptions. The added language: “**Having a “doing business as” (DBA) name is not sufficient to establish an agent DBA operation as a sponsor.”**
- **Average Price Calculation/Reporting Clarification** The rules already stated that, as of January 1, 2006, sponsored circulation would no longer be included in the calculation for average price. To clarify reporting format, the rule now also has been amended to state that the exclusion of sponsored from the price calculation is to be noted on the circulation report. In addition, the rules will now state that, although reporting sponsored orders by price and term is not required, sponsored (including multi-copy, same addressee and paid public place copies) must, in Paragraph 3a, be reported in total, and be added to all other orders, so that the grand totals of orders taken for the period are the same in Paragraphs 3a through 3d.

About BPA Worldwide A not-for-profit organization since 1931, BPA Worldwide is governed by a tripartite board comprising media owners, advertising agencies and advertisers. Headquartered in Shelton, Connecticut, USA, BPA has the largest membership of any media-auditing organization in the world, spanning more than 25 countries and including more than 2,000 B-to-B publications, 600 consumer magazines and newspapers, plus events, Web sites, email newsletters, databases, wireless and other advertiser-supported media—as well as more than 2,600 advertiser and agency members. Visit www.bpaww.com for the latest audit reports, membership information and industry news.