



AUDITING ELECTRONIC MAGAZINE EDITIONS

Electronic distribution of magazines may be reported as qualified circulation in BPA Worldwide reports for both business publications and consumer magazines. Electronic editions of magazines continue to be an evolving medium and BPA rules will evolve with the medium. Please do not hesitate to contact us with any questions you might have. There are several keys to ensure your electronic version meets BPA Worldwide specifications.

1. Definition of Electronic Edition (B7.13, C7.9)

Business:

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 the President. (Newsletters and Web sites do not qualify as electronic publications.)

Electronic and print publications may be further classified as "Versions" or "Editions." A Version must include the complete editorial of the original publication, but not the same advertising, layout or pagination. By comparison, a demographic Edition must contain at least 50% common editorial content with the original publication, and a geographic Edition must only have common editorial scope. For either type of Edition, layout, pagination and advertising do not need to be common. (See section B2.4 for additional requirements for Editions.)

Circulation for electronic publications shall be audited to ensure that the systems of the media owner and their vendor are in compliance with BPA Worldwide rules and policies before such data can appear on a circulation statement. A special audit may be undertaken to verify the electronic distribution.

The printing and release of an audit report shall be at the media owner's option. In all audit reports and circulation statements, electronic circulation shall be detailed separately throughout the report. Individuals receiving both the print and electronic publication shall be included only once within Paragraphs 1, 2, 3a, 3b, 3c, 4, and 9.

If an alert to a qualified subscriber (paid and non-paid) is undeliverable, the media owner shall have no more than 90 days to remove said subscriber from their circulation file, or ensure that the delivery details are corrected. (See Sections B7.24, B7.29, B9.13, B9.15, B9.16, B9.22, B9.22, B9.37.5, B9.47, B9.50, B9.73, B10.4.)

continued



Auditing Electronic Magazine Versions/2 of 4

In all audit reports and circulation statements, electronic circulation shall be detailed separately throughout the report. Individuals receiving both the print and electronic magazine Versions shall be included only once within Paragraphs 1, 2, 4, 5, 6 and 7.

If an alert to a qualified subscriber (paid and non-paid) is undeliverable, the media owner shall have no more than 90 days to remove said subscriber from their circulation file, or ensure that the delivery details are corrected. (See C7.19, C9.9, C9.18, C9.19, C9.35, C9.39, C10.4.)

Non-qualified electronic publication copies shall not be reported on BPA Worldwide circulation statements and audit reports.

2. Subscriber Qualification Requirements (B7.29, C7.25)

Qualified electronic distribution must be personally requested by the recipient or requested by the recipient's company. All demographic requirements established by the publisher still apply. The publisher must collect full mailing address details for all electronic edition subscribers.

In order to be considered a qualified recipient for an issue, the electronic edition subscriber must, at a minimum, receive an alert instructing them that the issue is ready for download. The alert should contain a link to the location where they may download/view the electronic edition. If an alert is undeliverable, the publisher has 90 days from the receipt of the hard bounce to either remove the individual from the electronic circulation file for the next issue, or correct the delivery details. A publisher may report the number of subscribers who actually downloaded each issue, but this is optional.

3. Reporting Format (B9.0, C7.0)

Electronic circulation must be reported separately throughout the circulation statement. Separate columns are used to report "Print Version Only", "Electronic Edition Only" and "Both Print and Electronic (unduplicated)" circulation in sections 2-4 of the business report and sections 2, 4, 5, 6 and 7 of the consumer report. Average qualified circulation is reported separately for each of the 3 types under "Additional Data."

B9.14, C7.10: Electronic non-qualified advertiser and advertiser agency copies and non-qualified paid electronic copies (excluding sponsored) may be reported on the Average Non-Qualified Circulation paragraph of BPA Worldwide circulation statements, and audit reports; all other non-qualified electronic publication copies shall not be reported on BPA Worldwide circulation statements and audit reports.

Subscribers who receive both versions are only to be counted once on the report. They are categorized under the column "Both Print and Electronic (unduplicated)." If different sources of demographic information exist for these subscribers, the most recent shall be used. If the electronic source is personal request and the print source is not, they shall be reported in the source and age analysis according to the electronic source. If they are both personal requests, the publisher may choose which to use as a basis for the report.

B9.72.1, C9.61.1: Should a publisher opt to report downloads/views, this data would appear as "Additional Data". A publisher may count downloads/views for an issue if the subscriber downloads/views the magazine within 60 days of the distribution of the first alert. For example, if July issue alerts are first sent

continued

Auditing Electronic Magazine Versions/3 of 4

on July 1st, John Smith has 60 days from July 1st to download/view the issue and is counted. The date the alert was actually sent to John Smith, if later than July 1st, is not a factor. Any issues not closed at the time of audit/filing circulation statements are to be estimated using a historical average.

4. Audit Requirements (B10.4, C10.4)

In order to audit electronic circulation, full summary statistics for subscribers must be available. The publisher must be able to report their circulation within the columns as previously indicated. Additionally, SMTP logs must be available for each issue as evidence of the alerts. The SMTP logs must contain the same information as is required for postal documentation. Specifically, the logs should indicate the email address of the recipient of the alert, email address of the sender, the time stamp (date and time), and an issue ID that is unique to a particular issue. Also, server recording of the communication between the server. SMTP logs for every issue must be provided, as well as their corresponding summary reports. These SMTP logs are to be sent to BPA along with the electronic files immediately prior to audit. BPA will analyze the SMTP logs and compare them to the summary reports to verify distribution. Below are two sample records that could be found in a SMTP log file (records are wrapped because they are contained in a word document):

```
Nov 10 2002 04:05:22 YOUR_EMAIL_SERVER_NAME sendmail[MESSAGE_ID_1]: ISSUE_ID_Nov2002:
to=<userA@somewhere.com> , mailer=esmtplib, pri=943596, relay=email3.somewhere.com. [1.2.3.4],
dsn=4.0.0, stat=Deferred: Connection timed out with email3.somewhere.com. Nov 10 2002 04:05:22
YOUR_EMAIL_SERVER_NAME sendmail[MESSAGE_ID_2]: ISSUE_ID_Nov2002:
to=<userB@somewhereelse.com> , mailer=esmtplib, pri=943596, relay=somewhereelse.com., dsn=4.0.0,
stat=Deferred: Connection refused by somewhereelse.com.
```

If a publisher opts to report downloads/views, similar logs and summaries must be provided. Since these are most likely web logs, there must be an identifier (not necessarily email address) to indicate which recipient downloaded/viewed the magazine. This is critical to make sure each subscriber can only be counted as one download/view. Other information as outlined for the alert logs is also required here.

5. Audit Process

Electronic distribution must be audited before it can appear on a circulation statement. Publishers have the option of conducting a special audit of the electronic distribution, or auditing the electronic distribution during their regular annual circulation audit.

The special audit of electronic distribution consists of analyzing a single issue, and allows publishers to report electronic data for the first time on a six-month circulation statement. The special audit is a systems check to ensure all the proper logging and statistical reports are available and in order. The selected issue's subscriber galley must be forwarded to BPA Worldwide's Electronic Auditing Department, along with that log files. A series of cross checks between the galley and logs are done, and request of the electronic edition must be verified for a random sample of names selected from the electronic subscribers. If all data is in order and the logging and statistical reports meet BPA Worldwide requirements, electronic distribution data can be reported on the publisher's next six-month circulation statement. At the time of the publisher's next annual circulation audit, log files and statistical reports will be required for all issues reporting electronic distribution.

Electronic distribution can be audited in conjunction with the publisher's annual circulation audit. The regular audit will be conducted, and for any issues the publisher wishes to report electronic distribution, log files and statistical reports are required. If all data is in order and the logging and statistical reports meet BPA Worldwide requirements; electronic distribution will be reported in an audit report covering the twelve-month audit period.

Auditing Electronic Magazine Versions/4 of 4

6. Costs

Auditing electronic distribution costs \$195 per hour for each hour used by BPA Worldwide Electronic Auditing Department to analyze the alert and download/view logs. For the annual audit, this total is added to the standard BPA fee schedule, which is based on the average total bound for the printed version plus the average electronic editions reported. For an electronic "pre-audit", all time is billed at \$195 per hour with the average pre-audit requiring 3 to 4 hours.

NOTE: A publisher must pass only one electronic pre-audit. Thereafter, other company-owned publications and magazines using the same vendor for distribution of the electronic editions can begin reporting electronic circulation without conducting a pre-audit provided there is no change in the system software.