



news release

contact: Glenn Schutz
Manager, Communications, BPA Worldwide
203.447.2873; gschutz@bpaww.com

FOR IMMEDIATE RELEASE

BPA Clarifies Public Place Reporting for Consumer Magazines

Agreements to distribute bulk rules modified

Shelton, CT December 27, 2006— At its December 2006 meeting, BPA Worldwide's Board of Directors voted to clarify reporting of Public Place copies for consumer magazines, including removing the category from the "Average Qualified Circulation" and "How Ordered" breakouts. Additional disclosure of Public Place copies will now be required within the breakout of Qualified Circulation (of the analyzed issue) including separate reporting by single or multiple public place copies and if those copies were paid for by a third party. A separate sub-total of Public Place copies is also provided.

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The BPA Board also modified rules on copies that are distributed in bulk ("Multiple Copy-Same Addressee" circulation) to permit central locations, i.e. regional headquarters, to issue agreements for locations under their control. The documentation provided for audit must now include a signed agreement with the central office, a list of all locations where the copies are to be sent, full addresses, telephone numbers, the quantity per location and the contact person at the location. An "opt-out" for the requested copies would also be required, no less than every 36 months and may be done through written communication, emailed or tape-recorded telecommunication. For all other locations, existing rules remain in effect. Each location must sign an opt-in agreement every 36 months. Prior to the rule amendment, BPA required an opt-in agreement from each location specifying number of copies and how they would be dispensed. The Board considered that organizations may either grant this permission on a location's behalf or may not allow satellite locations this authority.

The Board has asked its advisory committees to review over the next six months a number of points surrounding this rule, including whether the "opt-out" agreement should come from the central or the satellite location; should it include a provision for an adjustment of copies received by the satellite location; annual or tri-annual "opt-out"; and the potential for the "opt-out" agreement to go directly to the auditing company instead of the publisher or agent.

Below is a summary of new rules/amendments and other Board actions, including the combination of print and digital copies in its late mailing and distribution analyses; immediate posting of circulation statements to BPA's website upon client proof approval; publicity rules for reporting average circulations; subscriptions sold in the Middle East may include promotional incentives of any value.

The full language of all of the new and amended rules, in PDF format, accompanies this release.

Board Actions Applying to Both Business Publications and Consumer Magazines:

- **Combined Print and Digital Copies for Late Mailings and Distribution Analyses:** Publishers have requested that digital copies and print copies be included together in the analyses and allowances of late mailings and distribution shortages. Previously, digital distribution and print distribution were analyzed separately in the audit process.

continued

Board Actions Applying to Both Business and Consumer (continued):

- **Immediate Posting of Circulation Statements:** Over the years, BPA has provided solutions to help expedite the process of circulation statement filing and release. The newly amended rule allows publishers' Circulation Statements to be posted to the BPA website immediately after receiving approval from the publisher to print. This move eliminates the previous waiting period of printing before posting.
- **Promoting Above Average Circulations:** In accordance with its publicity guidelines to allow publishers to fairly and transparently promote their circulation figures, BPA ruled that in cases where publishers promote a single issue's circulation and that issue varies by more than 10% of the average qualified circulation, then the average circulation for the period must be footnoted in the publicity piece. The rule amendment was requested to control those publishers promoting "spiked" circulation for one issue. The additional explanatory notes will ensure that the media buyer and advertising community are not misled.
- **Temporary Study: Incentives in the Middle East:** It is commonplace for subscriptions to be sold in the Middle East with incentives/gifts valued at more than half of the subscription price. Single copies may also be sold with a cover mounted gift valued in excess of half the cover price. BPA rules restrict the value of gifts, but on a temporary basis, BPA rules will reflect the local market condition in the Middle East provided full disclosure to the media buyer occurs through the BPA reports. The Middle East Advisory Board will continually review current practices and counsel BPA during this study period.