

# E-sub reporting on Statement of Ownership proposal more generous than NNA expected

The National Newspaper Association proposal to allow community newspapers the privilege of reporting electronic subscriptions on the annual postal Statement of Ownership, Management, and Circulation, PS Form 3526, was printed in the Federal Register of Feb. 3, about the same time last month's column on the subject went to press.



## POSTAL TIPS

Max Heath

Comments were due by March 5, but NNA members were being contacted for opinion to share with the U.S. Postal Service during February to provide maximum input before the final rule issuance. (Please note that changes to the proposals below could change based on comments received.)

And to NNA's surprise, the proposal was more generous than expected by allowing paid website access to count on the PS Form 3526 as well. Earlier discussions had always centered on PDF-type replicas of the print edition. Although this expansion of eligibility might add more numbers, the other percentage stipulations in the proposal serve to limit total e-sub numbers counted.

Reporting is optional, and if paid/requester copies are counted, the reporting of non-paid/non-requester subscriptions is also optional, we were told—so far.

The goal was simply to allow community newspapers, where the only audit is the sworn statement printed in their paper each October, to have the ability to “level the playing field” with audited dailies that count e-subs.

Secondarily, it was to allow distant subscribers whose service has gone from bad to worse to read the news on a timely basis and still be counted, just as non-mailed single copy sales, bulk sales and Newspaper in Education copies count.

**Here is how the Federal Register proposal explained the proposed changes, with one correction noted by me:**

*Recent advances in technology allow*

*distribution of periodical publications through various electronic media channels. According to the standards that govern the Periodicals Class (Mail), all paid circulation for publications authorized in the General category, and all requested circulation for publications authorized in the Requestor category may be counted toward the publication's eligibility for Periodicals prices.*

*Efforts to identify the conditions that would allow electronic copies of Periodicals (e-pubs) to be counted with other distribution outside the mails have been ongoing for the past two (actually four) years. During that time, the transition from traditional printed copies of Periodicals to electronic copies of the same publications has grown. Many factors contributed to this migration including the proliferation of electronic reading devices and the desire of subscribers to read news immediately upon publication.*

**The proposed effective date is Sept. 30, 2012.** Susan Thomas of USPS Product Classification has assured the NNA Postal Committee that this will allow subscriptions qualifying under the final rule to be added to an amended PS Form 3526 for the postal fiscal year from Oct. 1, 2011-Sept. 30, 2012.

## THE RULES FOR COUNTING ELECTRONIC SUBSCRIPTIONS

Lifted directly from the filing for your own examination, here is the proposed language with some additions from me in italics:

Copies of Periodicals publications distributed through email or by accessing a password protected website (e-pubs) may be counted toward an approved or pending general or requester publications' eligibility for Periodicals prices. The following conditions additionally apply:

- a. Copies of e-pubs that may be counted toward a publication's eligibility for Periodicals prices:
  1. Must be paid at a price above nominal rate for publications approved in the General category. *(The nominal rate is defined as 30 percent of the basic price for the term being purchased. Printed records of payment should be kept.)*
  2. Must be requested in writing or by electronic correspondence for pub-

lications approved in the Requester category. *(NNA recommends keeping printed copies of electronic requests as backups.)*

- b. Access to electronic copies of a Periodicals publication offered in conjunction with printed copies of the same issues may not be counted when determining total circulation for the publication. *(Only one copy can be counted for a print and e-sub to same individual or household.)*
- c. At least 40 percent of the total circulation of each issue must consist of printed copies.
- d. Publications for which at least 60 percent of total circulation consists of printed copies to subscribers or requesters, as applicable, will be exempt from annual circulation audits.
- e. If less than 60 percent of a Periodicals publication's total circulation consists of printed copies distributed to subscribers or requesters, as applicable, annual Postal audits must be conducted by a certified audit bureau.

## SHOULD MY PAPER JOIN THE RUSH TO SELL E-SUBS?

Yes. As I've often written, the Postal Service's financial crisis is likely to continue, leading to closing of more processing plants and more delays in subscriptions to subscribers whose mail is not entered at the office of delivery. Although USPS continues to assure us it will address delivery delays, none of the plant closings has been accomplished yet without extreme disruption, and it is too soon to tell whether the disruption is temporary or permanent in many cases.

Newspapers should emphasize electronic subscriptions for distant subscribers willing to read the newspaper on a computer. Although not everyone in the key senior demographic—the most loyal newspaper readers—uses or likes to read lots of text on-screen, others do. And more are likely to.

Most importantly, younger nonsubscribers may be easier to sell at lower-priced electronic options. © Max Heath 2012

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