

# Apple eases rules on iPad, iPhone subscriptions

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(AP) -- Apple has eased the subscription policies for its hot-selling iPad and iPhone in a move that should help newspaper and magazine publishers make more money from mobile devices.

The change will make it easier for publishers to sell subscriptions for the devices outside Apple's online store.

That's important to publishers because they have to give Apple 30 percent of the revenue from subscribers signed up through the store. Publishers also aren't guaranteed that they would get valuable data about their customers when subscriptions are made through Apple's outlet, known as the apps store.

Apple did not give a reason for making the change. It does allow Apple to avoid legal trouble if regulators decided that the policies represented an attempt to control prices in still-developing market for mobile subscriptions. Apple finds itself in a position of power because the iPhone and the iPad are among the world's top-selling devices. Apple sold more than 25 million iPads since they went on sale 14 months ago.

Apple's concession will likely ease the tensions building among publishers that disliked the idea of relinquishing so much revenue and control to the world's most valuable technology company.

Apple's original rules, announced four months ago, seemed intent on funneling as many subscriptions as possible through its apps store. The

policy required publishers to offer a one-click option within the iPad or iPhone application to subscribe at a price that is at least as good as offers made elsewhere.

Now publishers won't have to provide that one-click option. They can also offer discounts elsewhere and still make more money because they won't have to share revenue with Apple. Publishers, however, won't be able to link to offers elsewhere from their apps.

The greater flexibility also ensures that publishers will be able to sell iPad and iPhone access as part of bundled subscriptions that include deliveries of print editions and apps for rival smartphones. It wasn't clear under the old rules whether such bundles would have been considered a discount.

The New York Times, for instance, has been selling subscriptions to read news on the iPhone and the iPad since March. The packages cost \$15 to \$35 every four weeks and are bundled with website and print subscriptions. The Times had planned on adding a one-click subscription option from the mobile apps by June 30 to comply with Apple's original rules. The Times declined comment Thursday on Apple's revised rules.

Apple has not disclosed how many subscriptions have been sold. The New York Times Co. said in April that it had attracted more than 100,000 digital subscribers; it did not say how many were using iPhone or iPad apps.

Newspaper and magazine publishers are particularly enamored with the iPad and other tablet computers because they believe the format will provide a digital bridge as fewer people read their print editions. For newspapers, the declining print circulation has been accompanied by an even deeper drop in print advertising, which has depleted their revenue during the past five years.

Apple is promoting newspaper and magazine subscriptions in the next update of the software that runs the iPad and iPhone. Due out this fall, the software will feature a digital newsstand that automatically adds the latest editions on the user's subscription list.

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