

## **2011 NIA SUMMER ASSEMBLY** **GENERAL SERVICE CONFERENCE REPORT**

Thank you for the privilege of serving the Fellowship of Northern Illinois as your Delegate to the 61st General Service Conference. The theme of this year's conference was "**We Are Responsible for AA's Future – Let it Begin with Us.**" The summer edition of *Box 459*, sent to members of the Area Committee and General Service Representatives, contains a summary of the Conference.

The theme for the 62nd Conference is "**Anonymity: Our Spiritual Responsibility in the Digital Age.**" It will be held in Rye NY during the week of April 22-28, 2012.

### **AA WORLD SERVICES, INC.**

#### **Financial Condition**

Year-end total revenue (profit from literature, contributions and interest) was \$14,273,404, or approximately \$260,000 less than last year. Total distribution of all books was down 22.6%, with a gross profit of \$7,948,300 compared to \$8,235,374 the prior year. (**NOTE:** Unit sales of Big Books are down from 971,435 in 2005 to 886,873 in 2010.) A profit of \$850,423 was made in connection with the 2010 International Convention. Contributions for 2010 of \$6,408,421 were approximately \$112,000 (1.8%) greater than the prior year. Online contributions since initiated in June 2010 accounted for approximately \$82,000 of total contributions. After operating expenses, AAWS had a positive net income of \$1,255,289. The Reserve Fund had a year-end balance of \$14,368,427, approximately 11.3 months of combined operating expenses.

The 2011 proposed AAWS budget is based on gross profits from literature of \$7,900,000 and contributions of \$6,500,000. That budget, after expenses, anticipates net income to be only in the \$340,000 range. This is due to overall rising costs, a rent increase and the E-Book project launch during 2011.

#### **EBook Project**

In his report, Chairman of the Board Ward Ewing characterized the EBook project as "one of the most significant projects undertaken this year. The objective of this GSO project is to make AA literature available to the Fellowship in an eBook format, while allowing AAWS to have direct operational control over the publishing, distribution, digital rights and pricing. Budgetary approval was granted for GSO to proceed with creating and distributing its books and other publications in digital form at the January 2011 Board meeting. Infrastructure investment is expected to amount to approximately \$400,000, incurred over a two-year period; \$245,000 is budgeted for 2011 and an additional \$166,000 is expected to be spent in 2012. It is not anticipated at this time that funds will be needed from the Reserve Fund for this project.

GSO is currently developing the necessary digital Apps and technological infrastructure and preparing AAWS publications in eBook format in order to make them available for purchase and download online. Apple has been selected as the first distribution point for our books with Android and others to follow. The current project timeline calls for availability of the Big Book and *Twelve Steps and Twelve Traditions* in English, French and Spanish in the Fourth Quarter of 2011. EBook pricing has yet to be determined.

## **AA GRAPEVINE INC.**

The AA Grapevine was under a microscope throughout the General Service Conference. We did not ask the ultimate question: Should the Grapevine continue? There was no discussion or consideration at the Conference of ending the printed version of the magazine. Nor has there been discussion at the level of the General Service Board or Grapevine Board concerning the elimination of the Grapevine in its current printed version. That said, the numbers relating to the Grapevine and La Vigna financials and circulation are elusive at best. To the extent the Fellowship is expecting a solution to these hard data problems, we should all be aware that these are problems for which we all share responsibility. While last year's survey indicated that 95% of those responding (both in NIA and throughout the US and Canada) consider it important to continue "our meeting in print," fewer than 6.5% now subscribe to the Grapevine. Paid subscriptions continue to drop from a highwater mark of 120,000 in the 1990s to 108,000 in 2004, 93,104 in 2010 and an anticipated drop to just over 88,000 this year.

### **Financial Condition**

Losses for the Grapevine in 2010 were \$399,037. This shortfall was due to magazine revenue being below budget primarily due to 1) the failure to realize anticipated revenue (approximately \$176,000) from the July 2009 price increase and 2) changing the subscription/product fulfillment vendor to expand digital capabilities and to correct certain problems with the prior vendor (approximately \$67,000).

The Grapevine places sums received for paid subscriptions in the Reserve Fund to cover future costs. As of December 31, 2010, the amount held in the Reserve Funds for these paid subscriptions totaled \$1,778,500. During 2010, Grapevine withdrew an additional \$588,000 from the Reserve Fund to replenish operating capital resulting from the almost \$400,000 operating loss and to update the technology infrastructure of its website.

The 2011 approved budget projected losses of approximately \$94,000. This reduced deficit budget was based on staff cuts and overhead reductions, including replacement of off-site board planning meetings with conference calls. This budget will require revision on the basis of the actions taken at the 2011 GSC. On an unaudited basis, the AA Grapevine, Inc. incurred a loss of approximately \$28,000 in the 1<sup>st</sup> Quarter of 2011.

Grapevine circulation dropped almost 9% in 2010. Paid subscriptions in 2010 were 93,104 compared to 102,281 in 2009, 9,177 fewer subscriptions. The 2011 anticipated average paid circulation is 88,235. This is 4,869 fewer subscriptions, representing an additional 5% decrease for 2011. Sales of the Audio Grapevine were down 23% in 2010, and the Digital Archive was down 26% over 2009. The strategic plan being developed to move Grapevine forward apparently anticipates that 50% of new Grapevine subscriptions will be digital within 3 years.

In its 15-year history, La Vigna has lost approximately \$1,500,000 with subscriptions representing less than 1% of the AA membership for the U.S. and Canada. Losses in 2010 amounted to \$75,481, compared to losses in 2009 of \$54,468. Projected losses for 2011 are \$114,697. Bimonthly circulation averaged 8,741 in 2010 compared to 9,663 in 2009. This is 922 fewer subscriptions, or a 9.5% reduction in subscriptions.

### **Grapevine Keynotes**

The General Service Conference addressed several issues to move the Grapevine forward under the guidance of the new Executive Editor/Publisher.

**1. Digital distribution**

In the spirit of being self-supporting while protecting our Traditions of attraction, anonymity and non-affiliation, the AA Grapevine was permitted to utilize digital channels and current (commissionable) support and distribution technologies for the sale and distribution of magazines, books and products. The GV Board was asked to ensure that all contracts protect our Traditions with the option to discontinue any contract at any time and to submit a status and financial report to the 2012 Conference Committee on AA Grapevine. (GV Comm AdvAct)

**2. Combining Services to Achieve Efficiencies and Objectives**

Considerable discussion occurred on the Conference floor by those serving on the AAWS and Grapevine boards concerning which entity should bear which elements of cost for inserting an introductory letter and copy of the Grapevine or La Vina in the new GSR packet. In order to ensure that all such discussions going forward occur within the spirit of unity and cooperation, the Conference Committee on AA Grapevine recommended that the Grapevine Board, in consultation with the AA World Services Board and under the guidance of the Chairman of the General Services Board, is to “continue to investigate what efficiencies and objectives can be accomplished by combining services, including Concept XI, while still maintaining editorial and corporate independence.” This recommendation was approved by the GSC with substantial unanimity.

**3. Grapevine/La Vina in new GSR packet**

To improve awareness of the Grapevine and La Vina among the Fellowship, it was suggested that an introductory letter and single copy be placed in the packet sent out to new GSRs. (Add'lCommConsid)

**4. Balanced Operating Budget**

To adhere to our spirit of self-support, it was suggested that the Grapevine Board only propose balanced operating budgets to the General Service Board. (Add'lCommConsid)

**5. Consider similar publications**

Because circulation of similar journals among AA Fellowships in other countries is much higher on a percentage basis (*La Vigne* in French speaking Canada, *Plenitude* in Mexico and *Sharing* in Great Britain between 20-30%), it was suggested that the AA Grapevine Board look at distribution techniques of such journals. (Add'lCommConsid)

**IMPROVEMENTS WITHIN THE SERVICE STRUCTURE**

**General Service Conference Inventory**

For the first time in its more than 60 year history, the GSC will conduct an inventory of itself over the next three years. The Inventory Plan approved this year was developed as a result of an Advisory Action considered and approved at last year's GSC. (Note: In his report to the GSC, Chairman Ward Ewing stated that the General Service Board, Inc. and its corporate affiliates will take an inventory of the three corporate boards this year.)

**Communication Among the Corporate Boards**

The Conference Committee on Trustees, my primary assignment, was presented with a slate of directors for the AA Grapevine Board containing seven proposed candidates. In an apparently

unprecedented action at the January Board weekend, the trustees' Committee on Nominating and the General Service Board rejected two new candidates who had been proposed by the Grapevine Nominating Committee based on its search to fill two vacant non-trustee director positions.

After careful consideration of information requested by our committee, lengthy discussion of the disapproval of the originally proposed slate and thorough examination of our options, our committee recommended approval of the slate of seven. Significant to my decision to support this action, were two considerations: 1) The decision by the General Service Board was well within the scope of its authority as set forth by Concept VIII and did not appear to be an abuse of its discretion in that regard; and 2) The Chairman of the Board Ward Ewing had stated to our committee that it was his understanding that the decision to reduce the Grapevine Board to seven was a temporary one based on financial considerations at this time. Our committee went on to note "with grave concern" in its report "the lack of communication" between the two boards regarding "the size and composition of the Grapevine Board." As a committee, we recommended that "the General Service Board take action to improve communication and cooperation among all its Boards" and bring a report to the committee.

The slate of seven was approved by the GSC despite an effort to reinstate the two candidates. After substantial discussion with regard to our committee's recommendation, the Chairman of the General Service Board and the incoming Chairpersons of the AAWS and GV Boards expressed a willingness to improve communication and cooperation among the corporate entities. Our committee's recommendation failed to receive substantial unanimity with a vote of 78 for and 48 opposed.

### **Concept V Right of Appeal Procedure**

Concept V confers a Right of Appeal throughout our service structure. To date there have been only two such appeals to the GSC by those on the inverted triangle of the AA service structure *below* the GSC level, the first of which was by Bill W. Until now, there has been no procedure established for such an appeal to the GSC. This shortcoming was recently highlighted when certain trustees found themselves in the minority on an action of the General Service Board. On the recommendation of the Conference Committee on Policy and Admissions, the GSC approved with substantial unanimity a procedure for the submission of a Concept V appeal.

## **ACTIONS OF CONFERENCE COMMITTEES**

### **Archives**

- Requested solicitation of new material and stories for the "Shared Experiences" section of workbook, so that this section can be updated in a future printing. The committee requested that this section be updated every five years. (CommConsid)
- Requested development of an informational piece on basic archival preservation procedures intended to provide guidance to local archivists responsible for maintaining the physical and intellectual integrity of the collection (CommConsid)

### **Cooperation with the Professional Community**

- Agreed to the concept of a replacement CPC literature compilation CD/DVD with background as very useful in CPC service work, with a suggested list of included material; report and draft to be presented to 2012 committee. (CommConsid)

- Suggested that draft service piece regarding use of AA Grapevine and La Vina in CPC endeavors with minor revisions be included in CPC kit. (CommConsid)
- Suggested that a list of goals and projects for CPC committees be added to the workbook. (CommConsid)
- Requested that a summary of shared experience from CPC committees and professionals for one-on-one CPC contact with professionals be included in the workbook. (CommConsid)

### **Corrections**

- The pamphlet "AA in Correctional Facilities" will be revised with respect to Big Book studies, Step and Tradition meetings as possible meeting formats. (AdvAct)
- Agreed with the suggestion that the pamphlet "It Sure Beats Sitting in a Cell" include content that would appeal to the young incarcerated alcoholic and requested that the Publications Department consider a more standard pamphlet-sized format, if feasible, while preserving the easy-to-read format. (Add'lCommConsid)
- Requested that the trustees' Committee on Corrections explore the need for a comprehensive survey of AA activities in correctional facilities similar to the one conducted in 1990. (Add'lCommConsid)

### **Finance**

- The pamphlet "Self-Support: Where Money and Spirituality Mix" will be revised to include a sample worksheet for distributions including two spaces for "other AA service entities" and a blank pie chart referenced "To be determined by YOUR group" with lines identical to the above worksheet. (AdvAct)

### **Grapevine**

- The revised pamphlet "The AA Grapevine and La Vina: Our Meetings in Print: will be released. (AdvAct)
- Suggested that in 2012 or later the AA Grapevine produce collections of Grapevine stories with working titles "Working the Program," "Happy, Joyous and Free" and "Young and New to AA." (Add'lCommConsid)
- Encouraged each home group to purchase annual subscriptions. (Add'lCommConsid)
- NOTE: The Conference Committee on Grapevine considered permitting AA Grapevine, Inc. to accept direct contributions and took no action, noting that the current financial structure is appropriate. (Add'lCommConsid)

### **Literature**

- The revised pamphlet "Medications and Other Drugs" will be released. (AdvAct)
- Development of literature that "focuses on spirituality that includes stories from atheists and agnostics who are sober in AA" will continue. The committee expressed support for the trustee's efforts to develop "a pamphlet which reflects the wide range of spiritual experiences of AA members." (AdvAct)
- Language in the pamphlet "GSR General Service Representative" will be replaced to clarify the GSR's responsibility since 1950 to select their area Delegate. (AdvAct)
- Revision of the pamphlet "AA and the Armed Services" continues. (Add'lCommConsid)
- Revision to the booklet *Living Sober* continues. (Add'lCommConsid)

### **Public Information**

- The 2011 AA Membership Survey will be conducted on a random basis as was done in 2007. (AdvAct)

- AA videos that “include actors portraying AA members of potential AA members shall not show the actor’s full face,” unless the General Service Board, by substantial unanimity, agrees that the proposed video is “consistent with the AA tradition of attraction rather than promotion and that such use of an actor or actors does not in fact or in appearance place personalities before principles.” The General Conference also must authorize, by substantial unanimity, production and distribution of such video. (AdvAct)
- A culturally sensitive Spanish-language Public Service Announcement will be developed at a cost not to exceed \$40,000. (AdvAct)
- The pamphlet "Understanding Anonymity" will be revised to include text on the topic of anonymity in the digital age and answers to the question “What should I tell my loved ones about protecting the anonymity of the AA members they may meet?” (AdvAct)
- Supported the development of a comprehensive media plan. (Add’lCommConsid)

### **Special Needs**

- The recovery pamphlet “AA for the Alcoholic with Special Needs” will be released. (AdvAct)
- Suggested that formats of “AA for the Alcoholic with Special Needs” for alcoholics who are deaf, blind or have learning challenges be produced as soon as fiscally possible. (Add’lCommConsid)

### **Treatment**

- The name of the committee will be changed to “Conference Committee on Treatment/Special Needs-Accessibilities.”
- The name of the pamphlet “AA in Treatment Facilities” will be changed to “AA in Treatment Settings” and the term “treatment facilities” will be replaced with a more appropriate reference wherever it appears. (AdvAct)
- NOTE: The Conference Committee considered removing one line of dialogue from the video “Hope: Alcoholics Anonymous” and took no action. It requested the trustees’ Committee review the entire script of the video, taking into account concerns expressed, and return a progress report to the 2012 Conference Committee. (Add’lCommConsid)

### **UPCOMING EVENTS**

- The **39<sup>th</sup> Illinois State Conference**, hosted by Area 19 (Chicago), will be held on August 5-7 at the Holiday Inn North Shore in Skokie. Chairman of the General Service Board Ward Ewing, General Manager of the General Service Office Phyllis H. and East Central Regional Trustee Pam R. will join us at the conference.
- The **East Central Regional Forum** will be held on November 11-13 in Miamisburg OH at the Dayton Holiday Inn.

Respectfully submitted,

Ray M  
 Delegate  
 Panel 60/Area 20  
 (Northern Illinois)