

PILOT NATIONAL SITE LICENCE INITIATIVE FOR ACADEMIC JOURNALS

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In higher education libraries two intractable problems have been identified: the continuing rise in the prices of journals, and copyright restrictions on the use of journal articles and other materials. The national site licensing initiative aims to reduce the unit cost of knowledge available to academics

Among the issues considered by the review of higher education libraries chaired by Sir Brian Follett, which reported in December 1993, two of the most intractable were concerned with the prices of journals, and the copyright restrictions on the use which academics could make of journal articles and other materials. There was a paradox in the fact that these materials were produced by academics but that its ownership lay with publishers. We received evidence of the increasing price of journal subscriptions, in part fuelled by the increasing number of articles. Prices had risen by very much more than the rate of inflation over the previous decade, giving rise to a vicious circle of cancellations and price increases as publishers sought to maintain their revenues and libraries struggled with tight budgets. The problem was clear enough - fewer and fewer academics and students had access to primary scientific sources, and were limited in the use they could make of the materials to which they did have access. Moreover, the problem was worldwide. Yet no effective action had been taken to address this problem.

The Follett report proposed action on a number of fronts to address the other issues which it had identified. Initiatives from Funding Bodies and others followed to increase the number of library reader places, to invest in IT for libraries and take forward experiments and development projects in this area, to enable strategic holdings to develop in humanities and archives, and to develop performance indicators for libraries.

There were no immediate initiatives on copyright or journal prices, mainly because none were immediately obvious. Together with the CVCP some thought was given to whether, and if so, how, changes in the contractual relationship between institutions and academics on the one hand, and academics and publishers on the other, might improve the copyright position; and there have been discussions with umbrella American bodies which are considering these questions, because we recognise that unilateral action in the UK is unlikely to be effective. Then an approach from Jan Velterop, Managing Director of Academic Press in the UK, offered the opportunity to address both the copyright and the price questions.

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Dr Velterop's proposition, which had been extensively discussed in the publishing community, was that a central body - in this case the HEFCE - should purchase a licence centrally on behalf of all higher education institutions in the UK (the site) and for a price based broadly on the total of subscriptions previously received by Academic Press from all HEIs. Under this licence all HEIs and their libraries would have made available to them, in both paper and electronic form, all of the journals published by Academic Press. The advantage of such an arrangement to the higher education community was clear: at roughly the same expense it would make available a much larger number of journals to a much larger number of people. At the same time it would side step the copyright question, since Academic Press was also offering to remove restrictions on how the material might be used. From the publishers point of view, the benefit was equally clear. It would guarantee stability of income at a time when income streams were under threat and were subject to the vicious circle of cancellations and price increases.

The HEFCE considered this question in December 1994, and agreed in principle to run a pilot site licence initiative with a small number of publishers (two was the number originally thought of, but for various reasons it has been extended to three), to explore the concept, identify the difficulties, the benefits and the disadvantages, and subject to a successful pilot, to consider whether the concept might be opened up more widely. In recognition of the status of the proposal as a pilot, and of the fact that under the concept money would have to be provided up front and centrally, the Council agreed to provide up to £2 million in this way.

£2 million is very much less than the total up front payment which will be made by the Council, and this therefore implies that some of the up front costs will need to be recovered from HEIs by means of a re-charge. There are other reasons for having a re-charge. First, is the question of equity. Not all institutions will benefit equally from this activity, whereas the Council's up front expenditure is effectively being taken from all institutions. It is reasonable for those that will benefit most to contribute to a greater extent to this expenditure. The other main reason for a re-

charge is to enable market mechanisms to continue to operate. Although one of the purposes of the site licence pilot is to reduce the cost of journals, to provide them free would not allow a proper investigation of the real benefits - libraries and academics would be tempted to take them just because they were available, regardless of their value.

A very tight timetable was set. The Council's decision in December 1994 called for a launch of the pilot in January 1996. An Advisory Group was established to give advice about the professional, legal, commercial and academic aspects of the pilot, and in May invitations to participate were sent to 65 leading European-based journal publishers, defined as such by the fact that they produced between 30 and 300 titles. This limitation was introduced in order to enable a pilot from which generalised lessons could be drawn. The time allowed for responses was regrettably short, and a number of publishers said whereas they might have been interested, they could not respond in the time. Nevertheless, a good number of positive expressions of interest were received including from some of the major players. With the Advisory Group's help a shortlist of four was drawn up, from which three - Academic Press, Institute of Physics Publishing and a consortium of Blackwell Publishing and Blackwell Science (here called the Blackwells Publishers) - were selected for the pilot.

Two economic models were identified for a site licence concept, both of which are being tested. The first is that originally suggested by Academic Press: the Funding Council would pay everything to the publisher up front, and the publisher would receive no additional benefit from sales made to HEIs (except that any sales made over and above present volumes will require small additional payments to Academic Press, intended to cover the cost of production and despatch). Under the second model the Funding Council pays a smaller price up front, and the publisher receives a premium from each sale made. The premium received is, of course, a small fraction of the published price. As far as institutions are concerned, they will be unaware of the contractual model under which the publishers are operating. More of this later.

Having selected the publishers with whom to run the pilot, we have been working furiously since the summer first to agree the terms of the licences, second to turn these into contractual agreements, and also to work out the administrative arrangements. Although the arrangements between ourselves and the publishers vary in some respects quite considerably, we have been at pains to ensure that as far as individual institutions are concerned they should be as similar as possible. We have also taken pains to identify the concerns which have been expressed about the possible problems with the site licence concept and to try and overcome these in advance.

In all cases institutions will be able to purchase subscriptions to all the journals of the publisher concerned at a substantial discount compared to the published price. The discounted prices are around 60 per cent of published prices in the case of Academic Press and the Blackwell Publishers, and around 70 per cent of published price in the case of IOPP. Having subscribed, institutions will be free to make use of the journals in the same way as they do at present - for example for inter-library loans within the HE community - but in addition they will be able to photocopy freely for use within the UK higher education sector.

All academic staff and students may have access to the journals concerned, as may any casual readers with access to the libraries. For the purposes of the licence the offices, homes and study bedrooms of students and staff count within the site. The right to copy includes the right to use the materials in study packs. In addition to paper copies, all the publishers will make available all their journals in electronic form, and although the rate of this will vary, all the journals concerned should be available within the first year. The electronic format will vary, though arrangements are being made to ensure that the access and delivery mechanisms will be similar, and electrocopying will be permitted, though not on a systematic basis. Interlibrary loans of electronic materials will be permitted within, but not beyond, the UK higher education community.

The commercial terms on which these arrangements have been negotiated are for the time being confidential, but, as has been indicated

above, are based very largely on the total current spend by the higher education sector with each of the publishers. The amount to be re-charged by the Council varies in each case depending on how much is being paid up front by the Council. In the case of Academic Press a re-charge of 60 per cent of the published price is to be charged; in the case of the Blackwell Publishers a re-charge of 30 per cent is to be added to the 30 per cent being charged by the companies, leading to a total of about 60 per cent being paid by institutions; and in the case of IOPP a re-charge of 20 per cent is being added to the 50 per cent being charged by the company, leading to a total of about 70 per cent of published prices. In all cases institutions will pay a single composite price to subscription agents, as before, and subscription agents will make a single payment to the publishers. The re-charge process and the arrangements between the publishers and the Funding Bodies should be transparent both to institutions and to subscription agents. As far as possible, existing administrative arrangements and relationships will continue as before.

An important innovation as regards price concerns the annual increase in subscription prices. One of the main intentions of the site licence concept is to break the spiral of price rises and cancellations, and the basis on which prices will be negotiated each year should ensure that price increases experienced in this country with regard to the pilot publishers will be less than that experienced elsewhere in the world and with respect to other publishers. In particular, to the extent that take up of the journals concerned increases, this will have a positive (ie downward) effect on prices. This is logical, since one of the causes of increased cancellations are increased prices. If cancellations reduce, or even better if subscriptions increase, then this should have a moderating effect on price rises, though prices for future years will need to take account of a multitude of factors, including general inflation and volume increases.

We are already learning important lessons which will be useful for the future. In particular, the legal and contractual arrangements have thrown up difficult and important issues which, thankfully, we have been able to resolve, and the technical issues surrounding electronic journals

and access to them continue to pose interesting problems. We will shortly embark on an evaluation process to explore a whole range of issues - commercial, value for money, technical, practical and academic - and if all has gone well at the end of three years we aim to use these lessons to extend the site licence concept to further publishers.

We also aim in the medium to long term to withdraw from this activity. The Funding Bodies

are in effect only acting as a proxy for the university system collectively, and it is to be hoped that once the concept has been proved universities and colleges, either through libraries acting collectively, or through their representative bodies or in some other way, will take the concept over and run with it themselves. In the meantime, we believe that this is an exciting concept which offers great benefit to all concerned, but in particular to the academic community.
