UNIVERSITY OF CALIFORNIA, ACADEMIC SENATE

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Office of the Chair
Telephone: (510) 987-0711
Fax: (510) 763-0309
Email: Lawrence.Pitts@ucop.edu

Assembly of the Academic Senate, Academic Council
University of California
1111 Franklin Street, 12th Floor
Oakland, California 94607-5200

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Dear UC Faculty:

We are writing to alert you to the possibility that the University's libraries may have to make major reductions in available journals in the University of California's shared digital collection for 2004 and beyond. The root cause is rapidly escalating prices for many scholarly journals. The unsustainable nature of these increases has been brought into sharp focus by the University's unprecedented budget shortfall. This letter outlines our strategies for attempting to prevent these reductions and ways that you can help.

Systemwide licensing of electronic journals from large publishers is currently our primary strategy for sharing journal literature among UC campuses. Following extensive and coordinated journal cancellations by all campuses in the mid-1990s, UC libraries were able to pool remaining investments (i.e. their remaining existing subscriptions at the time of contract signature) to obtain electronic access from specific publishers to *all* UC-subscribed titles for *all* campuses. By agreeing to multi-year commitments, UC has also been able to secure caps on annual price increases. Nearly all contracts also include perpetual rights to the digital content and some include an archival print copy at no additional cost.

This strategy has been successful. It has added hundreds of titles for *all* campuses that, if purchased by each campus, would have cost an additional $27 million per year beyond the current spending level. Annual price increases caps have cumulatively avoided another $1 million compared with continued campus subscriptions at list price. That is, without this effort to control inflation, the University would have had to spend an additional $1 million for journals or would have had to further reduce titles previously available at each campus.

The UC libraries devote about a third--$20 million--of their UC library materials expenditures to these publisher journal packages. Because of the current UC budget constraints and the need to support other high quality publications, the UC libraries may be unable to renew one or more of these systemwide journal contracts this year or next. Accordingly, the University Librarians--through the California Digital Library--are intensively engaged in negotiations to stabilize or reduce publisher package prices to UC that in current contracts include an idiosyncratic base derived from historical expenditures for print (rather than being aligned with the perceived value of digital access) and whose annual price increases significantly outpace the Consumer Price Index. The Systemwide Library and Scholarly Information Advisory Committee endorsed this approach, urging renegotiation of "contracts with publishers whose pricing practices are not sustainable."

Should any of these systemwide publisher contracts not be renewed, each campus library will have to negotiate its own electronic and print subscriptions, thus reverting to circumstances dependent entirely on campus collection budgets. While this would allow more campus flexibility to meet local needs under current budgets, in many cases the result will be electronic access and, **potentially, a reduction in overall journal access.** It is not feasible to reduce large packages title by title on a systemwide basis—there is no per title pricing within the packages and systemwide decision-making at this level of detail is impractical. If any systemwide publisher journal contract cannot be renewed, UC libraries will redouble their efforts to provide articles that you need through resource sharing — automated Request service, electronic delivery to the desktop, and Interlibrary Loan.

We are presenting the University as a partner to these publishers - a partner that:

- provides a high percentage of their authors and editors;
- has sustained their costly transitions to electronic platforms through its multi-year commitments;
- can uniquely offer long term digital and print preservation of their products;
- now needs their consideration for the financial challenges we face.

Despite this approach to negotiation, one or more publishers may be unable or unwilling to respond positively to our concerns about sustainable journal pricing models—models that don't rely on 5-8% annual price increases.

We need your support. We are currently negotiating new contracts with Elsevier (which now owns Academic Press), Wiley, and AAAS, and others. We will be talking to other publishers, including large commercial ones such as Kluwer, within the next year. Publisher reluctance to understand the extent and severity of the UC budget situation and the seriousness of our purpose in pursuing sustainable business terms may prolong the negotiations. Many of you are editors of journals from these and other publishers that may be affected. We are asking you, if the opportunity arises, to discuss these broader issues of fair and reasonable pricing for electronic access with your personal contacts at publishing companies. With a unified voice, we are hopeful of maintaining content at affordable cost.

In light of uncertainties and the need to keep you informed, the UC Libraries have created a Web site specifically about the sustainability of scholarly communication, the economics of publishing, and library and faculty strategies for action (at http://libraries.universityofcalifornia.edu/scholarly/). Please also contact your University Librarian or your Library's Collection Development Officer if you have questions.

Sincerely yours,

Academic Council

Lawrence Pitts, Chair

University Librarians

Thomas Leonard, Berkeley

Daniel Greenstein, California Digital Library

Marilyn Sharrow, Davis

Gerald Munoff, Irvine

Gary Strong, Los Angeles

Bruce Miller, Merced

Ruth Jackson, Riverside

Brian Schottlaender, San Diego

Karen Butter, San Francisco

Sarah Pritchard, Santa Barbara

Robert White (Acting), Santa Cruz