March 22, 2012

To: ARL Directors and Collection Development Contacts

From: Celeste Feather, ARL Licensing Initiative Program Manager, LYRASIS

I’m writing to update you on the progress the [ARL Licensing Initiative](http://www.arl.org/news/pr/LYRASIS-29nov11~print.shtml) Working Group has made with Project MUSE regarding the UPCC ebook collections. We anticipate an ARL pricing proposal with special incentives soon, and will work with MUSE to send an offer out to the ARL community and other large research libraries the week of April 9. The offer will extend across the July 1 fiscal year boundary that impacts many of you, so payments could be made in either fiscal year, or both. The content of the offer will include all ebooks at MUSE through 2012 imprint dates. MUSE will not be in a position to address 2013 titles until this coming fall. We have had very successful conversations with MUSE, and they in turn with the UPCC Advisory Board.

Our approach has been on three fronts: license and business terms, pricing, and changes that we want in the future. The licensing negotiations have gone well. We believe that we will be able to attain a final license that meets the specifications outlined in the [ARL requirements](http://www.arl.org/bm~doc/arlagentrfpfinal5-appc.pdf). The precise requirements and the strength of the ARL collaborative community were key factors in the negotiations. MUSE gave the ARL community special consideration during the license negotiations, and we will have the best set of terms that MUSE is able to establish with the UPCC publishers. LYRASIS will sign a central license document that we will share with all libraries interested in purchasing MUSE collections through our central point of order. LYRASIS will be responsible for obtaining a purchasing institution’s agreement to abide by the terms of the central license. The license document has intentionally been written to transcend state and U.S/Canadian boundaries. We recognize that legal offices at some institutions will require state-specific language, and we can facilitate amendments to the central license when necessary. Libraries uniting behind a central license will be able to achieve greater efficiency, as will MUSE. Also, ARL and LYRASIS designated staff will have the ability to gather and analyze usage data only for libraries purchasing MUSE ebook collections through this central license. Knowledge of how content is being used is key to successful future negotiations.

With respect to pricing, we completed a purchase history analysis with data from 111 libraries, including 12 ARL libraries, for 12 of the larger MUSE ebook publishers. We were able to show that on average, the pricing for MUSE collections was unrealistically high for the included content. While the unit cost per title was quite reasonable, the collections contained only about half of the total publisher output. ARL libraries made significant purchases of titles outside the MUSE collections in recent years. If an ARL library is to purchase MUSE ebook collections and still acquire titles from MUSE publishers outside the collections, the pricing for the collections must be at a level that still enables a library to purchase titles not in the collections without dramatically increasing the total amount spent for content from the MUSE publishers in recent years. Our belief is that the revised pricing proposal will take this major point into consideration.

The major change that we are seeking for the future is expanded collection content from the publishers. We have had interesting discussions about the reasons why so much content has been withheld, and all parties have learned a great deal from each other along the way. Publishers do not have digital rights for a significant portion of their recent titles, for some as much as 50% of their recent output. They are beginning to understand now the importance of securing these rights whenever possible. Course adoption texts are routinely held from the collections as many of the university presses survive on the multiple copies sold to students. We are encouraging the UPCC publishers to work with MUSE to find a workable model to include these titles on the MUSE site, recognizing that there probably will be some limits on use until the course adoption use declines after a number of years. One significant issue is that the publishers can only guess at the likelihood of course adoption, and therefore they tend to withhold any title that they believe might possibly be adopted for a course. Trade titles were intentionally withheld from MUSE collections because the publishers did not want to water down the academic quality of the collections. However, the purchase history analysis of 111 academic libraries showed that many trade titles are routinely purchased. In fact, the book with the highest number of copies (37) among the libraries was a trade title, *Living Well with Heart Failure*. MUSE would like to offer title by title purchasing of trade titles in the future and is discussing this option with the UPCC publishers. While none of these efforts to expand the MUSE collection content will come to fruition in 2012, we intend to keep these topics at the forefront with MUSE for future years.

Many have inquired about the possibility of a DDA or PDA business model for MUSE ebooks. The UPCC publishers began their collaborative effort with a collection model in mind, and they have not altered course. MUSE does not have contractual rights to sell title by title now, so a DDA/PDA model will not be available in the near term. We will continue to discuss these models with MUSE and explore possibilities. All of us recognize that no single model for ebooks will meet the needs of all institutions.

Thanks for your interest and participation, and I look forward to continuing the work and the conversation on behalf of ARL.