UC and Elsevier
A blueprint for publisher negotiations

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CNI April 8 2019
UC’s Elsevier negotiation

Jeff MacKie-Mason
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Our (public) goals

- Cost reduction
- Default OA publication for all UC corresponding-authored articles
- Transformative agreement that integrates publishing and reading with offsetting
Negotiations: UC’s final proposal

Cost-neutral with discounted APCs ($12M total UC payment)

Default 100% OA

Multi-payer:

* Library $1000 + author research funding

* **OR** Library pays all if author unfunded

* **OR** author opts out of OA

Negotiations: July 2018 - Feb 2019
Negotiations progress

After 6 months not addressing publish-and-read, ELS in January offered an integrated contract

Agreed to support multi-payer workflow

Negotiations: July 2018 - Feb 2019
Elsevier Jan 31 offer

Integrated, but 100% OA would raise payment 80% ($30M over 3 yrs)

No OA for Cell, Lancet or many (> 400?) society journals

Forego perpetual access to many journals

No workflow support for Library to cover unfunded authors

Some willingness to move on last 3, but $$ gap huge

Negotiations: July 2018 - Feb 2019
Today

No contract since 31 Dec 2018

Negotiations terminated 28 Feb 2019

Access not yet terminated

Alternative access prepared, on stand-by

Negotiations: July 2018 - Feb 2019
UC’s coalition

Jeff MacKie-Mason
@jmmason
Public support statements

Faculty Senate

UC President

UC Provost’s Library advisory committee

Council of University Librarians

The UC coalition

University of California Academic Council Statement on the University’s Negotiations with Elsevier Publishing

The Academic Council of the Academic Senate of the University of California (UC), hereby signals its collective and resolute commitment to support UC’s negotiating position with Elsevier in order to advance UC’s mission as a public institution, make the products of our research and scholarship as freely and widely available as possible, and ensure that UC spends taxpayer money in the most ethically, morally, and socially-responsible way when entering into agreements with commercial publishers.

Background
The University of California has been negotiating with Elsevier, the largest commercial publisher of scholarly journals. As part of the current negotiations, UC has been seeking sustainable cost controls as well as a novel transformative agreement in which our Elsevier authors would retain their copyrights, their articles would become completely and immediately open access, and the payments for open access publishing would offset our Elsevier subscription expenses.

By design, such a transformative agreement would be transitional and accelerate a shift to full open access for all our Elsevier authors within a very few years. Most significantly, a successful agreement would align closely with the mission of the University to provide “long-term societal benefits through transmitting advanced knowledge, discovering new knowledge, and functioning as an active working repository of organized knowledge.”

At the present time, UC and Elsevier have reached an impasse in their negotiations and our contract has lapsed. Nonetheless, the Academic Council of the Academic Senate stands firm in its conviction that a comprehensive transformative agreement that covers all Elsevier titles is required to achieve the aspirations embodied in the Academic Senate’s Open Access Policy, and articulated by the University Committee on Library and Scholarly Communication (UCOLASC) in its Declaration of Rights and Principles, and by the Systemwide Library and Scholarly Information Committee (SLASIC) in its Call to Action. We support the unified strategies of the UC libraries to ameliorate the negative effects of the impasse on faculty, researchers, and students, and applaud their efforts to closely monitor alternative access along with the impacts it may have on research and teaching.

We ask all publishers to work with UC in good faith to meet our short- and long-term goals for transforming scholarly communication, and we encourage our faculty to weigh these goals when deciding where to send their work for publication, when agreeing to review manuscripts, or when performing editorial duties. Moreover, we urge all UC authors to utilize our open access policies to make their final pre-publication manuscripts publicly and immediately accessible in our institutional repository.
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Negotiating Journal Agreements at UC: A Call to Action

June 2018

Issued by the UC Systemwide Library And Scholarly Information Advisory Committee
Endorsed by the UC Council of University Librarians
Endorsed by the UC Academic Senate University Committee On Library And Scholarly Communication

As the University of California Libraries plan for journal renewal negotiations in 2018 and beyond, UC faces dual imperatives in its approach to acquiring scholarly content:

- The urgent need to reduce costs to levels that the University can sustain; and
- The desire to transform research production and dissemination in order to make research outputs openly accessible—leveraging the power of digital networks, accelerating beneficial research outcomes, and making the fruits of academic research more trustworthy and more widely available to all who may benefit for the good of society.

We believe the time has come to address these issues head-on through a combined strategy that places the need to reduce the University’s expenditures for academic journal subscriptions in the service of the larger goal of transforming journal publishing to open access. Through our renewal negotiations with publishers, we will pursue this goal along two complementary paths: by reducing our subscription expenditures, and investing in open access support.

Such an undertaking will be neither easy nor without short-term pain for the University, its faculty and students. However, even if we were able to maintain all of our current subscriptions, the long-term prospects for beneficial change outweigh the merits of attempting to cling to an untenable and undesirable status quo.

Context and Rationale: Why Now?

The escalating costs of academic journals are a well known problem in higher education, far outpacing the growth in library budgets and squeezing out libraries’ ability to invest in other content and services needed to support teaching and research. As public investment in higher education continues to decline, many of our campus libraries as well as the California Digital Library (CDL) face persistent budget shortfalls that impede their ability to continue these licenses. These challenges are reaching a tipping point at UC and elsewhere, leading many of our peer institutions both nationally and globally to cancel large journal packages that contain vast amounts of little-used content in favor of selectively licensing only the materials most needed by their faculty and students.
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The UC coalition
Crucial: Faculty as partners, not merely audience

A Lesson From UC’s Split With Elsevier: Keep the Faculty in the Loop

By Lindsay Ellis | MARCH 01, 2019  ✔ PREMIUM
Faculty as partners in strategy development

UC case study

- CoUL roadmap (Pathways to OA) - Feb 2018
- Senate (Library committee) Declaration - April 2018
- UC Provost advisory Call to Action - June 2018

- Only then, CoUL announces negotiations project - June 2018

The UC coalition
Keeping faculty informed

UC case study

- Faculty Senate meetings (full & committee)
- Town halls
- Broadcast emails
- Website banners and portal page with FAQs
- Public media

The UC coalition
Faculty as partners in execution

Faculty on negotiations team (3 of 6)

Faculty as communicators

UC case study: **Sequencing** communications on termination day (28 Feb 2019)

1. President's office [press release](#)
2. Faculty Senate [letter of endorsement](#)
3. Broadcast letter to faculty from [Provost + campus Senate chair + UL](#)
4. [UC Libraries website](#) announcement

The UC coalition
UC’s model for a transformative agreement

Günter Waibel
Associate Vice Provost & Executive Director, California Digital Library
@guwa
Today

UC Libraries → Publishers ← UC Authors

$40M Subscriptions
$ State funds

$10M APCs
$ Grant funds

Double dipping • Uncontrolled, independent spending • Unsustainable
The alternative: a transformative OA agreement

For the UC, that means…

- **Off-setting**: Subscription fees decrease as OA publishing fees increase
  - addresses the issue of uncontrolled independent spending by two actors

- **Multi-payer**: Library subscription funds + researcher grants fund APCs
  - addresses the issue of sustainability
What does that look like?
The Author Experience

- Library financial transactions are handled in aggregate each quarter
Benefits for authors

With the libraries' negotiated APC, plus their subvention, it's much less expensive to publish OA now.

Definitely! For some journals, my APC is now entirely covered.

I'd like to publish OA, but I don't have the grant funds for the APC.

That's ok - the libraries will cover it.

I opted not to publish OA, which is easy to do.
Components of the UC model

Reading Fee

Publishing Fees

Total Contract Cost

Fixed
at start of agreement

Variable total
based on author choices

Base set
at start of agreement

Control
by restricting variance to +/- X%

Library subvention
(on every article)

Grant-paid remainders
(where grant available)

Library-paid remainders
(where grant unavailable)
Scenario: UC model contract in action

Total contract cost
Total cost range

Reading Fee

Publishing fees

Theoretical cost
Actual payment
Scenario: UC model contract in action

Basis: Expected publication volume 4,500 articles, $2,000 negotiated APC

- Total contract cost
- Total cost range
- Reading Fee
- Publishing fees
- Theoretical cost
- Actual payment
**Scenario: UC model contract in action**

<table>
<thead>
<tr>
<th>Description</th>
<th>Year 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total contract cost</td>
<td>$10,000,000</td>
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<tr>
<td>Total cost range</td>
<td>+/- 2%</td>
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<tr>
<td>Reading Fee</td>
<td>$1,000,000</td>
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<tr>
<td>Publishing fees</td>
<td>$9,000,000</td>
</tr>
<tr>
<td>Theoretical cost</td>
<td>$10,000,000</td>
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<tr>
<td>Actual payment</td>
<td>$10,000,000</td>
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</tbody>
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*Negotiated APC: $2000 per article*
Scenario: UC model contract in action

Year 2: Publication volume increases 3% to 4,635 articles

<table>
<thead>
<tr>
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<th>Year 1</th>
<th>Year 2</th>
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<tbody>
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<td>Total contract cost</td>
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<td>+/- 2%</td>
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<td>Reading Fee</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Publishing fees</td>
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<td>$9,270,000</td>
</tr>
<tr>
<td>Theoretical cost</td>
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<tr>
<td>Actual payment</td>
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</tr>
</tbody>
</table>

*Negotiated APC: $2000 per article*
## Scenario: UC model contract in action

### Year 3: Publication volume decreases 5% to 4,403 articles

<table>
<thead>
<tr>
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<th>Year 2</th>
<th>Year 3</th>
</tr>
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<tbody>
<tr>
<td><strong>Total contract cost</strong></td>
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<td><strong>Total cost range</strong></td>
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<tr>
<td><strong>Reading Fee</strong></td>
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<td><strong>Publishing fees</strong></td>
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*Negotiated APC: $2000 per article*
Scenario: UC model contract in action

The more grants participate, the more money is brought into the system.
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Year 1: 20% of authors use grants

*Negotiated APC: $2000 per article; library subvention $1000 per article*
Scenario: UC model contract in action

The more grants participate, the more money is brought into the system.

Year 1: 20% of authors use grants

Year 2: 30% of authors use grants

*Negotiated APC: $2000 per article; library subvention $1000 per article*
Scenario: UC model contract in action

The more grants participate, the more money is brought into the system.

Year 1: 20% of authors use grants

Year 2: 30% of authors use grants

Year 3: 40% of authors use grants

*Negotiated APC: $2000 per article; library subvention $1000 per article*
Scenario: UC model contract in action

The more grants participate, the more money is brought into the system.

Year 1: 20% of authors use grants
Year 2: 30% of authors use grants
Year 3: 40% of authors use grants

The model therefore lends itself to lowering costs for the library, so there’s money to reinvest in similar support for native OA publishers.

*Negotiated APC: $2000 per article; library subvention $1000 per article
What does that mean for grants?

Assumptions in this analysis:
- Grants pay **full cost of APC** when acknowledged by an article
- Average APC cost is $2,586* (average hybrid APC cost in 2016)

*source: Universities UK report, Monitoring the Transition to Open Access: December 2017
What does that mean for grants?

Assumptions in this analysis:

- Grants pay **remainder of APC after subvention** when acknowledged by an article
- Average APC cost is $2,586* (average hybrid APC cost in 2016)

*source: Universities UK report, *Monitoring the Transition to Open Access: December 2017*
In summary, here’s the journey we’re on

Today - **unmanaged, escalating OA economy**
Subscriptions and APCs are funded and paid for separately in the same journals, without any relationship between them.

Tomorrow (or sooner) - **transitional OA agreements**
Subscriptions and APCs covered by a single, transformative agreement, with one type of fee offsetting the other to eliminate double-dipping and help control the total cost to the university.

Eventually - **a primarily OA world**
Subscription payments largely disappear with funding re-allocated to OA support (both APCs and other funding models).
The critical role of data analysis

Mathew Willmott
Open Access Collection Strategist, California Digital Library
Why invest resources in data analysis?

- Transformative agreements represent a new way of doing business with vendors. Therefore:
  - We need to fundamentally understand what this means for our bottom lines, how financial flows are shifting, and what models match with local priorities.
  - We need to be able to sell our models to stakeholders within the institution. Faculty are data-driven in their own work and want to see that from us as well.
  - You can bet the vendors are doing the same, and we need to be on equal footing!
What more do we need to gather?

Data represents fundamental information about the world. To expand our contracts to this scope means gathering added information about:

**Author Publication Patterns**
- Volume of publication
- Year-over-year growth of publication
- Distribution across journals
- Distribution across disciplines
- Lead/corresponding author
- OA status of publications
- Grant acknowledgements

**Journal Characteristics**
- List-price APC
- Known APC discount arrangements
- Business model (Full OA, Hybrid, Delayed OA, No OA)
- Portion of the journal currently OA
Synthesizing, analyzing, and interpreting
The path forward

Jeff MacKie-Mason
@jmmason
Does Elsevier care?

UC revenues? 👎

But tipping point?

➔ Germany, Sweden, Hungary, UC, Norway…
➔ Others lining up
Does Elsevier care?

RELX stock price

- Down 7.1% on announcement day
- ELS only $\frac{1}{3}$ of RELX so roughly 21% hit on ELS value

AND...ELS needs our authors (2 boycott petitions)
JOIN US!

(We’ll help)