



The Canadian Library Association is Committed to Supporting Canadian Libraries for Fair e-Book Pricing

What is the Concern?

Demand for eBooks continues to grow rapidly – in fact, digital content is the fastest growing area of borrowing for public libraries. But multinational publishers impose unreasonably high prices, creating a barrier for public libraries to offer universal access to this content. As a result, public libraries offer fewer eBook titles, fewer copies for readers to discover and there are often longer wait times for these materials.

The “Big Five” multinational publishers (Hachette, HarperCollins, Macmillan, Penguin Random House and Simon & Schuster) inflate charges for public libraries. Canadian public libraries face challenges in ensuring universal access to this content.

The popularity of eBooks presents an exciting opportunity for libraries to connect with the public in new ways, but it also presents challenges.

In some cases, libraries pay three to five times more for eBooks than consumers (see fairpricingforlibraries.org for specific pricing examples). There are caps and time limits on eBook use. This means there are fewer titles, fewer copies for readers to discover and often longer wait times. Major publishers have set pricing and terms that jeopardize libraries’ ability to provide universal access to content in all its forms.

We do not face the same pricing issues with independent publishers. Many independent and Canadian publishers make their eBooks available at reasonable prices and with reasonable terms of use.

How much is this affecting the public?

Digital content is the fastest growing area of borrowing for public libraries. Campaigns to raise awareness of the availability of digital content have resulted in significant increases in borrowing rates.

Public libraries have responded by reallocating budgets and opening conversations with publishers to resolve issues with supply and discoverability. Based on 2013 Canadian Urban Libraries data, e-book budgets for reporting libraries have increased an average of 425% since 2010. Digital content is consuming an ever increasing portion of most libraries’ materials budgets; in 2010, Canadian Urban Libraries spent an average of 13% of their materials budget on digital content, and in 2013 it was 23%. Canadian Urban Libraries spent \$5,801,543 on e-books in 2013, and this number will have increased in 2014. We also have purchasing power – in 2014 alone, Toronto Public Library’s budget for downloadable and streaming content was \$2.8 million.

Why are eBooks treated differently than print books?

Print books are purchased as physical copies that the library owns. Rights holders typically license – rather than sell – access to digital resources. As licenses are contracts, libraries receive the rights articulated in the agreements including caps and time limits on eBook use. Libraries purchase licenses for eBooks – we don't own them, which is another issue for long-term access.

Who is concerned about Fair eBook pricing?

Canadian Public Libraries for Fair eBook Pricing have formed a coalition to raise awareness of the high prices that multinational publishers charge public libraries for eBooks.

Canadian Public Libraries for Fair eBook Pricing is a coalition made up of the Canadian Library Association, Canadian Urban Libraries Council, Federation of Ontario Public Libraries, Nova Scotia Library Association, Ontario Library Association and Toronto Public Library to raise awareness of challenges faced by public libraries as a result of high eBook prices charged by multinational publishers.

The public is also concerned about this because while the inflated cost has yet to impact borrowing ability, Canadian public libraries cannot maintain the current model. The public is at risk of losing access to eBooks from Canadian public libraries.

Has anything else been done to achieve fair pricing?

Advocacy efforts for fair eBook pricing and access have been underway in Canada since 2010. There has been significant progress with much improved access to eBooks for public library customers. Many Canadian independent publishers make their content available as do the major publishers. However, multinational publishers continue to impose terms such as unreasonably high prices.

What is the pricing model that would work for libraries?

CLA is advocating for a hybrid of existing pricing models as one that would work far better because it introduces both fairness and flexibility into the model. This hybrid model offers libraries of all sizes the ability to make choices about maintaining copies in perpetuity at a higher price, and other copies of the same title at a lower price within a restricted timeframe. As an example, if 100 copies of an eBook are selected, a public library could choose to pay a premium price for 10 copies with ongoing and perpetual access. The remaining 90 copies could be purchased at a lower rate with those copies expiring in a year. This allows libraries to meet customer demand for copies when they are most popular and preserve access to the content in the longer term with fewer numbers of copies than were required up front.

As part of this model, we have advocated that the \$85 and \$100 pricing is too high as a premium price. Something in the \$40-\$60 range is more reasonable as a premium price. The lower price option could be higher than the consumer price, but not significantly as the content would expire in a year.

What can your party do?

A legislative or regulatory solution on this would have to be taken through the Copyright Act, which is a federal responsibility jointly managed by Industry Canada and the Department of Canadian Heritage. This is a no-cost issue that offers tremendous opportunity for a popular action from an incoming or returning government.

Your party can commit to reviewing the eBook pricing model as part of a review of the *Copyright Act* to ensure eBook fairness for all Canadians.