



STAFF REPORT INFORMATION ONLY

Update on Public Library Access to E-Books and E-Magazines

Date:	March 11, 2014
To:	E-Book Working Group
From:	City Librarian

SUMMARY

The purpose of this report is to provide the E-Book Working Group with an update on the current situation with public library access to e-books and e-magazines.

FINANCIAL IMPACT

There is no financial impact to this report.

The Director, Finance & Treasurer has reviewed this financial impact statement and is in agreement with it.

DECISION HISTORY

The report *E-Books in Public Libraries* was considered by the Toronto Public Library Board at its November 29, 2012 meeting, which provided information about advocacy efforts in Canada and internationally. In its approval of the recommendations, the Library Board adopted a two-pronged advocacy strategy that included writing to publishers encouraging Canadian and multinational publishers to participate in a pilot project to make e-content available to public libraries, to sell e-content to public libraries under reasonable terms, and informing the public about the restrictions public libraries face in making e-content available for borrowing. At that meeting, the Library Board approved the following:

1. *endorses an advocacy strategy that:*
 - a) *encourages Canadian and multinational publishers to sell e-content to public libraries under reasonable terms;*
 - b) *informs the public about the restrictions public libraries face in making e-content available for borrowing; and*
2. *authorizes and directs appropriate Library staff to take the necessary action to give effect thereto;*

3. *strikes an E-Book Working Group, to include any Board members who express an interest, to make further recommendations on strategies to advance Recommendations 1a and b.*

At its first meeting on February 12, 2013, the E-Book Working Group considered a report that provided an overview of the current situation for public library access to e-books and advocacy activities. In considering the report, the E-Book Working Group adopted a motion requesting staff to prepare a draft outreach strategy about restrictions on access, and to define terms that are considered reasonable.

At its February 25, 2013 meeting, the Library Board approved the E-Book Working Group's recommendations from its February 12, 2013 meeting.

The E-Book Working Group met on April 18, 2013 to consider the report, *E-Book Advocacy Outreach Strategy and Pricing Models*. The Working Group revised the staff recommendation to combine the proposed phased approach into one and to recommend implementation of the approach only if the ongoing CULC/eBound project does not achieve the desired changes to e-book access and prices.

At the same meeting, the E-Book Working Group adopted the *Notice of Motion – Investigation of Legal Options to Increase E-Book Access*, which it considered in closed session due to the potential litigation or advice that is subject to solicitor-client privilege.

At its April 29, 2013 meeting, the Library Board approved the E-Book Working Group's recommendations from its April 18, 2013 meeting.

The E-Book Working Group met on June 6, 2013 to consider the report *Investigation of Legal Options to Increase E-Book Access*, which was considered in closed session due to the potential litigation or advice that is subject to solicitor-client privilege.

COMMENTS

Update on Access to E-Books and E-Magazines and Pricing

As a result of initiatives such as the CULC/eBound project, there has been significant progress in the past year with much improved access to e-books for public library customers. Many Canadian independent publishers make their content available, and all but one of the large multinational publishers make their content available on OverDrive. In addition to content from Random House Canada, HarperCollins Canada, and many Canadian independent publishers, additional access to e-content has been achieved from the following publishers in 2013:

Publisher	New E-Books Available for Purchase
Macmillan Group	11,000 e-book titles
Hachette Book Group	5,000 e-book titles
Penguin Group	15,000 e-book titles
McGraw-Hill Professional Publishing	5,000 e-book titles

Some multinational publishers continue to impose terms such as unreasonably high prices. In an effort to explore new pricing models, the work with eBound Canada has led to an initiative that involves making more Canadian content available and discoverable using a pricing model that reduces costs to libraries.

The attached chart (Attachment 1) provides a high level overview of the issues for each publisher. Generally, the issues fall into the following categories:

- Publishers will not make their content available to public libraries, OR
- Publishers make content available at prices sometimes as much as 300% higher than consumer prices, OR
- Publishers impose other terms such as caps on use and/or time limits, a less significant issue.

Update on Advocacy Efforts

The advocacy strategies approved by the Library Board were twofold:

1. The first strategy was designed to communicate directly with publishers about the Library's position with regard to restrictions on access. As a result:
 - individualized letters were sent in August 2013 to publishers and various key stakeholders in the e-book publishing industry;
 - when the Rogers Publishing Group pulled its e-magazines from Zinio in Fall 2013, letters were sent to Rogers and to the CEO, Magazines Canada to express the Library's concern about Canadian e-magazines not being available to Canadian public libraries. A follow up meeting with Magazines Canada was held.
2. The second strategy was to draw the public's attention to the issue through TPL's website. As a result:
 - the landing page for downloadable content was updated to explain the reasons some customers are not finding the e-content they want;
 - the Zinio page was updated to include a list of Canadian magazines no longer available and the Library's disappointment with the Rogers decision.

Additional Developments

At its December 16, 17, 18, 2013 meeting, Toronto City Council adopted the following motion from Councillor Paul Ainslie, seconded by Councillor Jaye Robinson:

City Council request the Department of Canadian Heritage and the Ontario Ministry of Tourism, Culture and Sport to investigate publishers' restrictive practices in making e-books and e-magazines available to public libraries, including the higher prices charged to public libraries.

This motion endorses the important role of public libraries in making content available to all Canadians and encourages publishers to make e-books and e-magazines available to public libraries on fair and reasonable terms. Staff has followed up with background information for the Ministry of Tourism, Culture and Sport and the Department of Canadian Heritage. Government representatives have indicated that investigations are underway.

The Competition Bureau announced on February 7, 2014 that the Bureau has signed a consent agreement with Hachette Book Group, HarperCollins, Macmillan and Simon & Schuster that removes or amends clauses in their distribution agreements that will allow e-book retailers to offer discounts on e-books to consumers. While this decision is expected to lower prices for consumers, it appears that it will not have an immediate impact on e-book prices for public libraries at this time.

CONTACT

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SIGNATURE

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City Librarian

ATTACHMENTS

Attachment 1: Overview of Issues with Canadian Public Library Access to E-Content

Overview of Issues with Canadian Public Library Access to E-Content

Publisher	Terms	Prices	Notes
Random House Canada	One copy per use; no cap or time limit on use	\$85 for new hard covers \$30-\$60 for paperbacks	OverDrive announces at the OLA Conference in February 2011 that Random House Canada and a number of independent publishers are making their content available. In March 2012, Random House (U.S.) announces up to 300% price increase for e-books available to public libraries.
HarperCollins Canada	One copy per use; 26 use cap per copy	\$25 for new hard covers \$4-\$16 for paperbacks	HarperCollins (U.S.) announces in March 2011 the introduction of a 26 use cap per copy. In December 2012, HarperCollins Canada content is available on OverDrive.
Hachette Book Group	One copy per use; no cap or time limit on use	\$80-\$90 for new hard covers \$10-\$40 for paperbacks	In October 2012, Hachette announces 100-200% price increase for its backlist e-books available to public libraries. Hachette makes over 5,000 current and back-list titles available to libraries in May 2013.

Macmillan Group	<p>One copy per use; 52 use cap per copy or 24 months, whichever comes first</p> <p>One year embargo on making current content available</p>	<p>\$40 for virtually all content – hard cover, paperbacks & eBook original shorts.</p>	<p>Macmillan announces in January 2013 it is starting to make its backlist e-books available; more content becomes available as the year progresses.</p>
Penguin Group	<p>One copy per use; re-purchase copies after one year</p>	<p>\$23 for new hard covers</p> <p>\$8-\$16 for paperbacks</p>	<p>In December 2013, U.S. content from Penguin is available; waiting for access to Penguin Canada content.</p>
Simon & Schuster	<p>Pilot projects with a few libraries are underway; not widely available to public libraries.</p>	<p>Prices are not confirmed at this time.</p>	<p>TPL has been contacted about a potential pilot project.</p>
Independent Canadian Publishers	<p>One copy per use; no cap or time limit on use</p>	<p>\$16-\$25 for new hard covers</p> <p>\$8-\$15 for paperbacks</p>	<p>These publishers have willingly worked with libraries to make content available and to find mutually beneficial solutions.</p>
Rogers Publishing Group	<p>Rogers withdrew access to e-magazines for public libraries via Zinio in Fall 2013 when Rogers launched its own digital subscription, <i>Next Issue Canada</i>.</p>	<p>Subscriptions comparable to consumer prices.</p>	<p>Zinio offers to libraries unlimited simultaneous access to e-magazines just as it does in its consumer model.</p> <p>With Rogers' withdrawal from Zinio, many Canadian e-magazines are no longer available while access continues for e-magazines from the U.S. and the U.K.</p>