

## Research Libraries UK

### Fair Prices for Article Processing Charges (APCs) in Hybrid Journals

#### 1. Context

RLUK wishes to work together with JISC Collections and publishers to agree fair prices for APCs in hybrid journals, so that our universities can know that the phenomenon known as double dipping will be avoided. Double dipping arises if a publisher seeks an unwarrantable increase in revenues by levying article processing charges (APCs) for publication in a hybrid journal, while not providing a proportionate decrease in subscription costs.

The Finch Report acknowledged that there would be additional transitional costs to publishers in moving towards Open Access and that it would be reasonable to expect funders, universities/libraries and publishers themselves (through cost reductions) to make a contribution towards those costs. We agree with that conclusion and we now wish to work with publishers:

- To make a fair assessment of what the approximate level of those additional costs will be in the case of hybrid publishers
- To ensure that APCs are set at a level that reflects these costs; and to establish mechanisms to ensure that the aggregate prices paid by our universities to publishers do not rise beyond the level these costs warrant.

In coming to this discussion we bring certain principles both to the issue of costs and to the issue of mechanisms to avoid double dipping.

#### 2. Costs

##### *2.1 Estimating the costs of making an article in a subscription journal available in Open Access form.*

We regard the costs of Gold Open Access to hybrid journal publishers as being of two kinds

- Additional *necessary* costs such as the cost of issuing invoices, or of altering settings in databases to allow articles behind paywalls to become openly available
- Revenue lost to a publisher because of open access publication – for example if customers cancel a journal subscription because a high proportion of its content has become available on an Open Access basis. (We acknowledge that this is likely to become a significant phenomenon at some point in the future, if Gold Open Access becomes the preponderant form of article publication; but we do not think it likely, subject to contrary evidence provided by publishers, that it is having a significant effect at the moment or is likely to be a significant factor over the next few years.)

We are content to make an appropriate contribution to these inevitable costs, but not to deliberately incurred additional expenses that come about as a result of voluntary changes by publishers - for example if a publisher chooses to pass on APC contributions in the form of a subsidy to other journal subscribers.

## *2.2 Transparency*

In order to work with publishers on establishing the true costs of the transition to Open Access we need mutual transparency about costs, revenues and pricing. In particular we need a move away from the confidentiality clauses in subscription pricing that characterise some current contracts, and access, as recommended by the Finch report, to data on the scale of revenues publishers are deriving from, respectively, APCs and subscriptions. Without these, the cooperative approach we are setting out in this document is simply not possible.

### **3. Mechanisms for avoiding double dipping**

In circumstances where there is potential for double dipping to arise, RLUK members will need an adjustment or rebate to ensure that double-dipping does not take place. It should be noted that:

- Double-dipping adjustments or rebates from publishers should take effect at the level of individual institution. Otherwise, as recent modelling by JISC Collections has shown, an unsustainable burden will fall on UK research universities. A system which depends upon publishers passing on APC contributions to all subscribers will (i) be unverifiable from the point of view of the universities and other bodies making APC payments; and (ii) would so dilute the financial benefit to high APC-payers that its effects would be negligible.
- We believe that the same principle should apply to all UK universities - that the level of double-dipping adjustment or rebate a university receives from a publisher should be proportionate to its level of Gold open access publication with that publisher
- We welcome statements from publishers proscribing double dipping, but we wish to work with publishers to ensure that these useful declarations of intent are underpinned and taken forward by specific actions. We note, and applaud, the progress that some publishers have made in putting in place specific mechanisms to avoid double-dipping and we wish to work with the publishing industry to ensure that all publishers take such steps.
- Our preferred mechanisms for avoiding double-dipping are those which link APCs with subscription prices so that universities are able to take a holistic approach to payments to publishers. Offsetting the cost of APCs against subscription prices has the advantage that it does not undermine the business model of “pure” Open Access publishers by making publication in hybrid journals artificially appear, to authors, to be free or cheap. However, we recognise that other approaches, such as the voucher scheme operated by the Royal Society of Chemistry, have considerable value.