

Electronic Books and Public Libraries in New York State



A Report to the Legislature and Executive

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Summary Report of E-Book Study and Recommendations

As required by *Chapter 459 of the Laws of 2015*, staff of the New York State Library with support from staff of the Northeast Comprehensive Center (NCC) conducted a study of how e-books are made available to users by the State's public libraries and developed four recommendations for increasing access to and lending of e-books in public libraries and public library systems across the State.

E-books are firmly established in public libraries, and if not yet universally adopted, they have strong supporters among library users—as do print books, audiobooks, and other forms of content. Each user has his or her own preferred format in which to read, and libraries must support all these formats.

While the relationship between libraries and e-book publishers and distributors may not be as strained as it was four or five years ago, many challenges in providing e-books to New Yorkers still exist for public libraries. Nationwide service and content have improved, but the costs of purchasing and the limitations of licensing remain.

Because of the collaborative, cooperative and cost-effective services provided by New York State's 23 public library systems, e-books are currently available to New Yorkers through 98% of New York's 756 public libraries, which have some 1000 outlets. According to the State Library's recent (May 2016) survey of public library systems, over \$11.5 million was spent on e-books last year, over \$7.5 million by library systems (including the three New York City public library systems) and over \$4 million by local libraries. This investment purchased or licensed over 1.5 million e-books. Even so, over 70% of the library systems that responded to the survey indicated that availability does not meet demand, and demand is only expected to increase in the future. Some library systems report annual increases of 30% in e-book circulations.

This report includes responses to questions posed by the Legislature and Executive in *Chapter 459 of the Laws of 2015*, including four policy recommendations that may assist libraries in meeting the increased demand for e-books.

Responses to Questions Posed in *Chapter 459 of the Laws of 2015*

1. How are electronic books sold and distributed to public libraries and public library systems in New York State?

Trade books, e.g. bestsellers, are licensed (usually with annual contracts) through distributors. The most common distributor in New York State is OverDrive which has a separate contract with each of the 23 public library systems. Some individual libraries and library systems also purchase/license books through other publishers/distributors (e.g. Gale, 3M, Baker and Taylor, ebrary, TotalBoox). In general, titles with a longer shelf life such as reference and non-fiction are available for outright purchase or perpetual license.

2. What challenges do public libraries and public library systems face in acquiring electronic books?

The greatest challenge to acquiring e-books is the cost. Even though prices have decreased since e-books were first offered to libraries, they are still high relative to print titles. Cost per title is high, and libraries must license multiple copies and then renew the licenses every year or after a stated number of check outs. Currently, e-book licenses may put limits on concurrent use or on the number of check outs and must be renewed regularly to provide continued access.

A second factor contributing to the cost of providing equitable access to e-books is that many users do not have their own smart phones or e-readers nor do they have robust internet access. Some libraries therefore are purchasing and lending e-reader devices and hot spots so people without devices or internet connections can easily borrow and use e-books. (50% of the population does not own an e-reader or tablet [Pew Research Center, 2015] and 36% of New Yorkers do not own smart phones [Siena Research Institute, 2015]. These percentages are higher in rural and inner city areas.) This service places additional strain on already insufficient library broadband capabilities. To download an e-book in 3 seconds requires broadband speed of at least 15 Mbps [Cox Communications]; about 1 in 3 New York public libraries have this level of internet speed, and even more bandwidth is needed for multiple users in a building such as a library. Only 5% of public libraries meet the FCC and New York Broadband Program Office recommended minimum rate of 100 Mbps, and just an additional 5% have rates of at least 50 bps.

Also, libraries must continue to purchase print and audio books as most people who read e-books also read print books. Just 4% of readers are “e-book only” [Princeton Survey Research Associates International, 2014]. An additional challenge includes how to provide equitable access to e-books for the some 400,000 persons with disabilities in New York State. Finally, e-book platforms don’t usually work well with integrated library systems; this lack of interoperability means checking out an e-book is not a straight forward transaction, and a patron may get lost in multiple mouse clicks.

3. How are public libraries and public library systems lending electronic books to their patrons?

Most libraries and library systems restrict e-book circulation to their own card holders “in good standing,” and they limit the number of e-books that can be checked out at one time and the length of time a patron may have a title, all in the interest in making popular titles more available. Some restrictions are by license on how many circulations a copy can have, the length of check-out time, the length of the license, and the number of concurrent readers.

Some New York libraries are developing e-book lending solutions for their users that may substantially change how e-books are purchased, accessed, and shared. These projects are receiving national attention and funding, and serve as alternative models to existing plans. (Appendix 3)

4. To what degree are publishers and distributors making their electronic books available to public libraries and public library systems in New York State?

All e-book publishers and distributors make their catalogs available in New York. The limitations are on the cost and what libraries and library systems can afford.

- 5. Review the lending and licensing agreements offered by distributors and publishers of electronic books to public libraries and public library systems. AND**
- 6. Examine the restrictions on use placed by publishers and distributors on electronic books.**

The lending and licensing agreements offered in New York State are on a par with those offered nationwide. E-book licenses can be confusing. Appendix 5, *A Guide to Ebook Licenses Purchase Models for Libraries and Publishers* and Appendix 6, *Big Five Publishers and Library Lending*, provide clear succinct introductions to library e-book licensing. Some states that have developed or brokered a statewide e-book

lending program or platform include: California, Connecticut, Colorado, Illinois, Kansas, Maryland, and North Carolina. A few of these alternative e-book systems benefit from ongoing negotiations with publishers, which enable libraries to manage collections directly rather than license content through a distributor such as OverDrive.

7. Recommend reasonable terms that would allow public libraries and public library systems to purchase electronic books from publishers or distributors at affordable costs with minimal restrictions on access and use.

Recommendation One

- ◆ Strive for equity of access to e-books and other e-content for New Yorkers of all ages, ensuring that all libraries in New York State have the resources and support necessary to subscribe to or purchase e-books and to provide the technology necessary to read them.

Recommendation Two

- ◆ Explore and invest in new technologies that may provide (a) more streamlined access to e-books, (b) access to enhanced free collections, (c) alternatives to existing e-platforms, and (d) sharing of e-book collections.

Recommendation Three

- ◆ Address the increasingly high demand for e-books by exploring possibilities for establishing cost-saving mechanisms at the State level.

Recommendation Four

- ◆ By 2020, provide all New Yorkers with free access to a minimum broadband speed of 100mbps at their local public library or neighborhood branch.

Appendix 1

LAWS OF NEW YORK, 2015

CHAPTER 459

AN ACT directing the state department of education to develop a comprehensive plan for increasing access to and lending of electronic books in public libraries and public library systems across New York state

Became a law November 20, 2015, with the approval of the Governor.
Passed by a majority vote, three-fifths being present.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The commissioner of the state education department is hereby authorized and directed to study and develop a comprehensive plan for increasing access to and lending of electronic books in public libraries and public library systems across New York state. In preparing such study, the commissioner shall consult with individuals who have experience and expertise in public libraries and public library systems, publishing electronic books, or distributing electronic books.

1. Definitions. For the purposes of this act, the following terms shall be defined as follows:

(a) "Electronic book" shall mean an electronic version of a printed book that can be read on any digital device used for personal or public use.

(b) "Public library" shall mean any public or association library, other than professional, technical or public school library, established for free public purposes by official action of a municipality or district or the legislature, where the whole interests belong to the public; the term "association" library shall be construed to mean a library established and controlled, in whole or in part, by a group of private individuals operating as an association, closed corporation or as trustees under the provisions of a will or deed of trust; and the term "free" as applied to a library shall be construed to mean a library maintained for the benefit and free use on equal terms of all the people of the community in which the library is located.

(c) "Public library system" shall mean:

(i) A library established by one or more counties.

(ii) A group of libraries serving an area including one or more counties in whole or in part.

(iii) A library of a city containing one or more counties.

(iv) A cooperative library system established pursuant to section two hundred fifty-five of the education law, the plan of library service of any of which shall have been approved by the commissioner.

2. Such study carried out pursuant to this section shall include, but not be limited to, the following issues:

(a) Examining how electronic books are sold and distributed to public libraries and public library systems in New York state;

(b) Identifying challenges public libraries and public library systems face in acquiring electronic books;

(c) Examining how public libraries and public library systems are lending electronic books to their patrons;

(d) Assessing to what degree publishers and distributors are making their electronic books available to public libraries and public library systems in New York state;

(e) Reviewing the lending and licensing agreements offered by distributors and publishers of electronic books to public libraries and public library systems;

(f) Examining the restrictions on use placed by publishers and distributors on electronic books; and

(g) Recommending reasonable terms that would allow public libraries and public library systems to purchase electronic books from publishers or distributors at affordable costs with minimal restrictions on access and use.

§ 2. Such study and plan shall be provided to the governor, the speaker of the assembly, the temporary president of the senate, the chair of the assembly libraries and education technology committee, and the chair of the senate select committee on libraries by June 1, 2016.

§ 3. This act shall take effect immediately.

Appendix 2

Methodology

In April 2016, State Librarian Bernard Margolis invited the directors of the 23 public library systems to complete an online survey on e-books and public libraries in New York (licensing, usage, benefits, and challenges). The New York State Library staff developed this survey instrument in collaboration with the Northeast Comprehensive Center (NCC) staff and expert advisors. Eighteen of the 23 systems completed the survey. Information from this survey was analyzed together with the results of an earlier survey specifically about a prominent e-book distributor OverDrive. That survey was conducted in 2015 and completed by 19 of the systems. In May 2016, interviews were conducted with six New York State professionals in the library field with expertise in e-books to solicit a statewide perspective on the status of e-books. Also in May, requests for information (by survey or interview) were sent to fourteen of the largest e-book publishers and distributors; six responded. Finally, some data was taken from the 2014 Annual Reports for Public and Association Libraries and 2014 Annual Reports for Public Library Systems, the most recent annual reports available.

Timetable

Week of March 28	First conference call with Northeast Comprehensive Center (NCC)
Week of April 4	Draft timetable and work plan from NCC
Week of April 11	Create draft survey for public library system directors
Week of April 18	Survey opened online for system directors
Week of April 25	Survey responses due date; Library “experts” on e-books identified
Week of May 2	Telephone interviews with 5 experts and email response from a sixth; begin to analyze data
Week of May 9	Interviews (phone and email) with six publishers and distributors; draft outline of study report
Week of May 16	Complete the draft E-book study report for review by State Librarian, State Education Department staff and key stakeholders.
June 1	Submit report to the Legislature

Library System Directors Survey Questions

Instructions

(Basic instructions for completing survey, including due date.)

Basic Information

1. Name of library system _____
2. Name and position of person completing survey _____
3. Contact e-mail _____
4. Contact phone _____

Access

1. How many of your member libraries offer e-books to patrons?
2. How long have your system and member libraries had an e-book lending program (number of years)?
3. What kind of e-reader devices do your system and member libraries offer to patrons (select all that apply)?
 - a. Amazon Kindle
 - b. Apple iPad or other iOS device
 - c. Android
 - d. Nook/Nook Simple Touch
 - e. Windows and Mac desktop or laptop computers
 - f. Other _____
 - g. Libraries in my system do not offer e-reader devices to patrons
4. What are the most prevalent e-reader devices your system and member libraries offer to patrons (select one)?
 - a. Amazon Kindle
 - b. Apple iPad or other iOS device
 - c. Android
 - d. Nook/Nook Simple Touch
 - e. Windows and Mac desktop or laptop computers
 - f. Other _____
 - g. Libraries in my system do not offer e-reader devices to patrons
5. On average, e-book availability in my system meets the demands of patrons.
 - a. Strongly disagree
 - b. Disagree
 - c. Neither agree nor disagree
 - d. Agree
 - e. Strongly agree
 6. Please explain: _____
6. How are e-books distributed to your system and member libraries (select all that apply)?
 - a. Limited term of the licenses
 - b. Unlimited term licenses
 - c. Perpetual license
 - d. Non-concurrent user license

- e. Concurrent user license
 - f. Limited number of loan licenses
 - g. Cost per circulation (check out)
 - h. Other _____
7. What is the most common way that e-books are distributed to your system and member libraries (select one)?
- a. Limited term of the licenses
 - b. Unlimited term licenses
 - c. Perpetual license
 - d. Non-concurrent user license
 - e. Concurrent user license
 - f. Limited number of loan licenses
 - g. Cost per circulation (check out)
 - h. Other _____
8. Of the licensing methods in use, which is the most cost effective to your system and member libraries (select one)?
- a. Limited term of the licenses
 - b. Unlimited term licenses
 - c. Perpetual license
 - d. Non-concurrent user license
 - e. Concurrent user license
 - f. Limited number of loan licenses
 - g. Cost per circulation (check out)
 - h. Other _____
9. What are the distribution platforms currently in use in your library system to lend e-books to patrons (select all that apply)?
- a. Overdrive
 - b. 3M Cloud Library
 - c. Baker & Taylor
 - d. Ebrary (by ProQuest)
 - e. EBSCOHOST
 - f. Freading
 - g. GALE Virtual Reference Library
 - h. Gale
 - i. Hoopla
 - j. Odilo
 - k. Project Gutenberg
 - l. ProQuest
 - m. The Open Library
 - n. Total Boox
 - o. Zinio
 - p. Other: _____
10. What is the most common distribution platform used by your system and member libraries? (select one)
- a. Overdrive

- b. 3M Cloud Library
 - c. Baker & Taylor
 - d. Ebrary (by ProQuest)
 - e. EBSCOHOST
 - f. Freading
 - g. GALE Virtual Reference Library
 - h. Gale
 - i. Hoopla
 - j. Odilo
 - k. Project Gutenberg
 - l. ProQuest
 - m. The Open Library
 - n. Total Boox
 - o. Zinio
 - p. Other: _____
11. How satisfied is your system and member libraries with this distribution system?
- a. Not at all satisfied
 - b. Slightly satisfied
 - c. Moderately satisfied
 - d. Very satisfied
 - e. Extremely satisfied
12. Please explain: _____

Cost

1. What is the total annual cost of e-books to your system?
2. What is the total annual cost of e-books to your member libraries?
3. What percentage of your system's total e-book acquisition expenditure is supported by state funds?
4. What percentage of your system's total e-book acquisition expenditure is supported by local funds?
5. What type of books place the largest burden on your system and member libraries' budgets?
 - a. Best sellers
 - b. Midsellers
 - c. Young adults/children
 - d. Other _____
6. What percentage of total e-book expenditures (approximately) are spent on the (answer to the previous question)?
7. How do you expect the portion of your system and member libraries' budgets allocated to e-book acquisition to change in the next five years?
 - a. Expect an increase
 - b. Expect no change
 - c. Expect a decrease
 - d. Cannot accurately predict
8. Please explain: _____

Challenges

1. The following present a challenge to my library system and member libraries in acquiring e-books:
 - a. Cost of e-book acquisition
 - i. Strongly disagree
 - ii. Disagree
 - iii. Neither agree nor disagree
 - iv. Agree
 - v. Strongly agree
 - b. Difficulty navigating e-book acquisition options
 - i. Strongly disagree
 - ii. Disagree
 - iii. Neither agree nor disagree
 - iv. Agree
 - v. Strongly agree
 - c. Difficulty locating/accessing e-books on the vendor's/publisher's web site?
 - i. Strongly disagree
 - ii. Disagree
 - iii. Neither agree nor disagree
 - iv. Agree
 - v. Strongly agree
 - d. Lack of interest in e-book acquisition from library staff
 - i. Strongly disagree
 - ii. Disagree
 - iii. Neither agree nor disagree
 - iv. Agree
 - v. Strongly agree
 - e. Lack of interest in e-book acquisition from library patrons
 - i. Strongly disagree
 - ii. Disagree
 - iii. Neither agree nor disagree
 - iv. Agree
 - v. Strongly agree
 - f. Insufficient technical support from vendor
 - i. Strongly disagree
 - ii. Disagree
 - iii. Neither agree nor disagree
 - iv. Agree
 - v. Strongly agree
 - g. License terms limit patrons' access to e-books
 - i. Strongly disagree
 - ii. Disagree
 - iii. Neither agree nor disagree
 - iv. Agree
 - v. Strongly agree

- h. License terms limit library ownership of e-books
 - i. Strongly disagree
 - ii. Disagree
 - iii. Neither agree nor disagree
 - iv. Agree
 - v. Strongly agree
- 2. Please explain the biggest challenge to your library system and member libraries in acquiring e-books:

Licensing terms

- 1. Please rate the level of satisfaction of your system and member libraries on the following aspects of e-book acquisition, with 1 being not at all satisfied and 5 being extremely satisfied.
 - a. Cost of e-books
 - i. Not at all satisfied
 - ii. Slightly satisfied
 - iii. Moderately satisfied
 - iv. Very satisfied
 - v. Extremely satisfied
 - b. Limits on concurrent use
 - i. Not at all satisfied
 - ii. Slightly satisfied
 - iii. Moderately satisfied
 - iv. Very satisfied
 - v. Extremely satisfied
 - c. Limits on number of loans
 - i. Not at all satisfied
 - ii. Slightly satisfied
 - iii. Moderately satisfied
 - iv. Very satisfied
 - v. Extremely satisfied
 - d. Expiration dates for licenses
 - i. Not at all satisfied
 - ii. Slightly satisfied
 - iii. Moderately satisfied
 - iv. Very satisfied
 - v. Extremely satisfied
 - e. Compatibility with devices such as personal computers, phones, and e-readers
 - i. Not at all satisfied
 - ii. Slightly satisfied
 - iii. Moderately satisfied
 - iv. Very satisfied
 - v. Extremely satisfied
 - f. Access to popular titles
 - i. Not at all satisfied
 - ii. Slightly satisfied

- iii. Moderately satisfied
 - iv. Very satisfied
 - v. Extremely satisfied
2. What is one potential solution to ameliorating the area of e-book acquisition you indicated you were the most dissatisfied with above?
 3. If you could suggest one key change to increase access to and lending of e-books in public libraries and public library systems across New York state, what would it be?
 4. Please add any additional comments:

Appendix 3

Alternative E-book Options at The New York Public Library

SimplyE (Library Simplified)

The New York Public Library (NYPL) is leading a project called Library Simplified to reach a goal of accessing their e-book collections in three clicks—one to discover, two to download, and three to read.

NYPL received a \$500,000 Institute of Museum and Library Services (IMLS) grant two years ago. According to a project update, “The goal of the project is to make access to digital content more simple for library patrons by creating a commercial-grade, open ebook reader platform that brings together and makes available content from all of the major ebook distributors (OverDrive, 3M [Cloud Library], Axis 360 from Baker & Taylor).”

The Library Simplified development team works with vendor APIs (Application Program Interface) and is using OPDS (Open Publication Distribution System, an open source catalog system) to create a simple user interface to library content. Library Simplified will push DRM (Digital Rights Management software) to the background so that the user can enjoy the three-click experience that is the desired outcome of the project.

Library E-Content Access Project (LEAP)

IMLS funding will support the expansion of NYPL’s team of e-book developers to accelerate the development of additional features, migrate their SimplyE app to additional platforms, create a public domain library with improved meta-data and cover art, and complete the initial planning, scoping, and scaffolding of a proposed nonprofit content exchange.

SimplyE for Consortia

SimplyE for Consortia (a.k.a. Library Simplified for Consortia) will develop and pilot the features and functionality required for consortial use. Specifically, this project will create the infrastructure needed to federate and combine e-books from public library collections with statewide, consortial, and/or national e-book collections, and deploy consortial versions of SimplyE in Minnesota, Illinois, and Massachusetts by 2018. The project will also develop specifications for enhancing SimplyE to better support academic and school library users by adding features such as enabling citations, group annotations, and embedded assessments.

More information available at <http://www.librarysimplified.org/>

Appendix 4

Resources on E-books in Public Libraries

Big Five Publishers and Library Lending. American Library Association. 2016

<http://americanlibrariesmagazine.org/wp-content/uploads/2016/01/Big-Five-Ebook-Terms-011816.pdf>

Ebook Usage in U. S. Public Libraries 2015. Library Journal, 2015

http://the-digital-reader.com/wp-content/uploads/2015/10/LJSLJ_EbookUsage_PublicLibraries_2015.pdf

Ebooks in 2015: Trends and Forecasts Part 1. Information Today, 2015

<http://newsbreaks.infotoday.com/NewsBreaks/Ebooks-in-2015-Trends-and-Forecasts-Part-1-101446.asp>

Ebooks in 2015: Trends and Forecasts Part 2. Information Today, 2015

<http://newsbreaks.infotoday.com/NewsBreaks/Ebooks-in-2015-Trends-and-Forecasts-Part-2-101587.asp>

Linda Carlson. *“Getting E-books into Libraries: What Libraries Want and Vendors Offer.”* IBPA, 2015.

<http://www.ibpa-online.org/article/getting-e-books-into-libraries-what-librarians-want-and-vendors-offer/>

A Guide to Ebook Licenses Purchase Models for Libraries and Publishers. Bookwire. 2015

<http://publishingperspectives.com/wp-content/uploads/2015/11/Guide-to-Ebook-Licensing-Purchase-Models-Bookwire-and-Dosdoce.pdf>

How Public Libraries Are Evolving to Meet Patrons’ Needs in the Digital Age. OverDrive. 2015

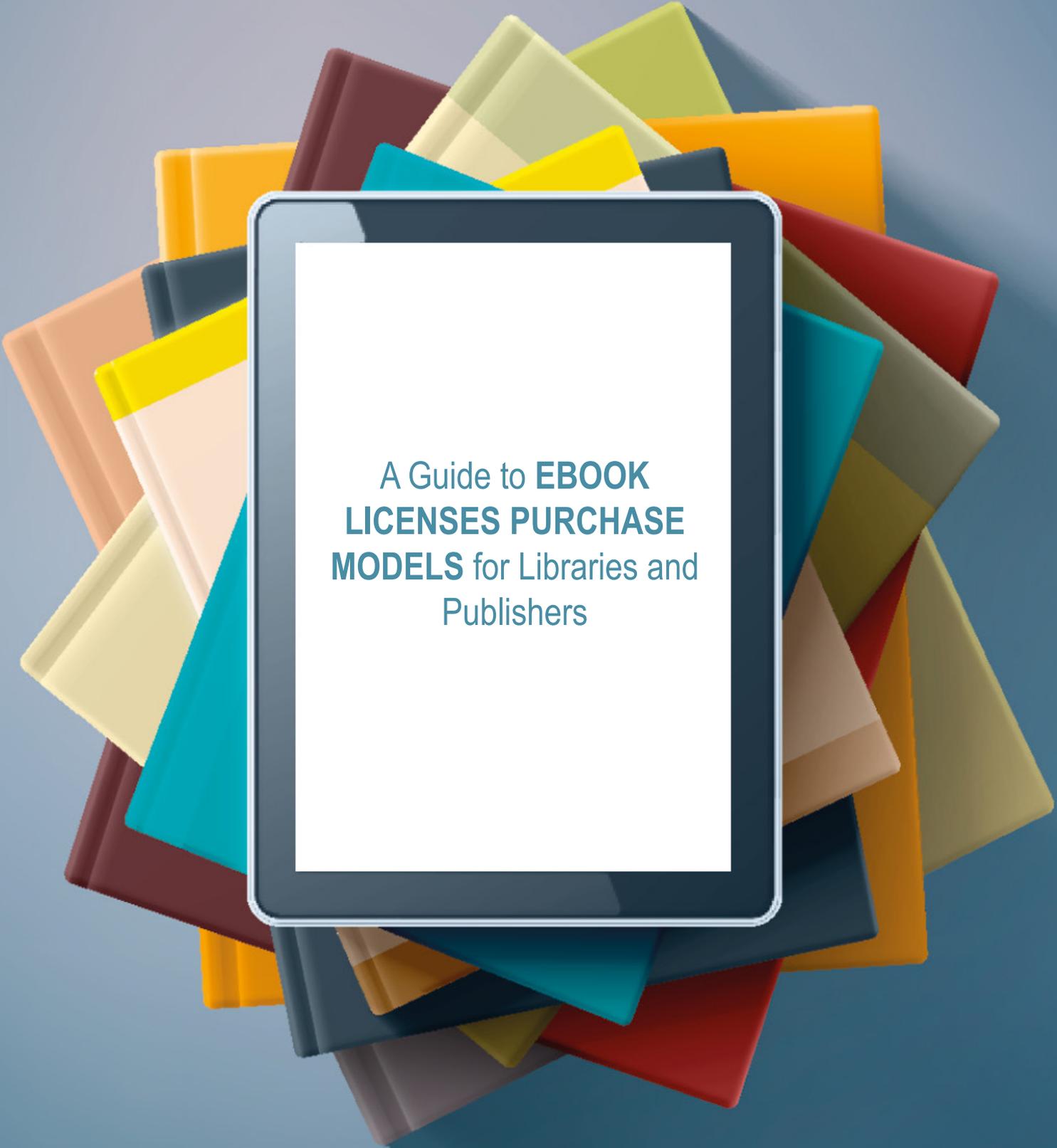
http://blogs.overdrive.com/wp-content/uploads/2015/10/B2C_EM_9.30.pdf

ReadersFirst Guide to Library E-Book Vendors. ReadersFirst, 2014

<http://static1.squarespace.com/static/53765f6fe4b060b2a3d3586b/t/54c6a4f2e4b08921548f21d9/1422304498084/ReadersFirst-Guide--Library-E-Book-Vendors.pdf>

Adam Vaccaro. *“Why It’s Difficult for Your Library to Lend Ebooks.”* Boston Globe, June 27, 2014.

<http://www.boston.com/news/technology/2014/06/27/why-its-difficult-for-your-library-to-lend-ebooks>



A Guide to **EBOOK
LICENSES PURCHASE
MODELS** for Libraries and
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7. Credits and basic information about Bookwire and Dosdoce.com



A Guide to Ebook Licenses Purchase Models for Libraries and Publishers

1

OBJECTIVE OF THE GUIDE

The main purpose of this Ebook Licenses Purchase Models Guide, resulting from the collaboration between Bookwire, a platform specialising in the distribution of eBooks and audio books, and Dosdoce.com, a company specialising in the development of digital business models, is to provide all professionals in the book world (publishers, librarians, agents, authors, etc.) with a broader insight into the numerous opportunities offered by the vast range of ebook licensing models and to dissipate any doubts or preconceived ideas in relation to those models. We particularly hope that it will serve as a way of reflecting on how to begin to integrate these kinds of models in their digital distribution strategies.

The 21st century will witness Public and School Libraries becoming one of the main sites on the Internet for readers to discover new reading material (ebooks, audio books, apps, etc.), in conjunction with other readers of similar tastes. Such prospects will provide publishers with a wide range of possibilities to use new business models whereby libraries will be able to offer digital lending services in keeping up with the new trends in content consumption (book club streaming services, pay-as-you-read, etc.)

2

SHIFTING FROM A PROPERTY PURCHASE MODEL TO A LICENSE BASED MODEL

The model used by the analogue library, which exclusively loaned out printed books, was (and continues to be) the acquisition or purchase of a book to be borrowed by one sole user, subsequently to be loaned to the next user after having been returned.

reiterated use of a single title by multiple users eventually causes the book to wear out and become unusable.

The acquisition model within the digital framework is different and is conceived via licensing models. By definition, the license signifies payment for the use of something that is not owned but is used temporarily. This is one of the first psychological barriers that need to be overcome by librarians, publishers, authors and readers. In fact, the printed book, although owned, also “expires”, so to speak, since the

Any library offering users digital lending will have to choose the licensing model most suitable to its current needs, future user’s demands, budget and titles on loan. To do so, they will need to become familiarised with the variety of licenses available as well as the most suitable one for each case and may need to resort to individual assessment by experts in the field since an inadequate model may give rise to an inefficient use of public resources.



3

WHAT ASPECTS CONTRIBUTE TO A DIGITAL LICENSE?

Generally speaking, there are three key aspects which define a digital license: the concurrence of users, the number of times a given eBook may be loaned out and the duration of the license.

3.1

READER CONCURRENCE



The concurrence of users refers to the number of readers who may read the same document simultaneously, something that does not happen with printed books but is possible within the digital framework. The library will therefore have to decide whether each eBook will come under a non-concurrent single user license, allowing access to one user only, i.e. as occurs with printed books, or whether it will allow multiple users access to the same eBook simultaneously (ideal license for reading clubs).

3.2

THE NUMBER OF TIMES A GIVEN EBOOK MAY BE ON LOAN



Circulation, preferably known as the number of times the same eBook may be loaned out during the duration of a license, is another key aspect to be taken into consideration by librarians and publishers. On a worldwide basis, most licenses envisage a circulation ranging from 20 to 26 loans.

3.3

DURATION OF A LICENSE



Lastly, the length of time during which the library may use the license is usually defined by a specific term, which usually lasts various months or up to a couple of years. However, public libraries are increasingly choosing the “unlimited time license model”, as well as the “perpetual licenses”, as part of their license purchase mix to guarantee the economic sustainability of the purchase since the number of loans contemplated in the license does not expire (see attached infographic for more details)



4

MOST COMMON LICENSING MODELS

The multiple combinations of the three key aspects referred to above have produced a broad range of licensing models for libraries and publishers.

The most widely used licensing models in the principal public libraries throughout the world may be described as follows:

4.1

NON-CONCURRENT USER LICENSE



This type of license is the most similar to the traditional loan. As in the case of printed books, this license contemplates the loan of an eBook to a single user, there being no simultaneous use. Many libraries have opted for this kind of license as it enables them to diversify their budget by purchasing a wide range of titles since their use is subsequently limited via concurrence. However, libraries should also bear in mind that these kinds of licenses create long waiting lists for best sellers or new releases and have a negative influence on the perception of the service and on book rotation.

4.2

CONCURRENT USER LICENSE



Contrary to the previous case, these licenses envisage the loan of a given eBook to multiple users simultaneously. They are usually used by libraries for reading club activities or the like and school libraries to facilitate the creation of campaigns to encourage reading.

4.3

LIMITED NUMBER OF LOAN LICENSES



These licenses usually limit the number of loans from 20 to 26. Once the limit has been reached, the eBook is no longer available on the library lending platform, it being necessary to acquire a new license. A higher or lower number of loans may affect the price of the license



A Guide to Ebook Licenses Purchase Models for Libraries and Publishers

4.4

LIMITED TERM OF THE LICENSES



Licenses of this nature establish the length of time a certain eBook may be available on the platform. Licenses for a limited term usually have a durability of up to 2 years. Once the term has expired, the eBook “disappears” from the platform even though the total number of loans may not have been used up. These licenses are very common in the purchase of contents which become obsolete within a short time: travel guides, consultation books, textbooks, self-help books, etc.

4.5

UNLIMITED TERM LICENSES



EBooks acquired under this licensing model are made available on the platform until the last loan purchase has been reached. In licenses of this nature, the term is determined by the number of loans reached (usually 20 or 26 loans). There is an increasing understanding in the book world in relation to the benefits derived from unlimited term licenses for both libraries and publishers. Just as limited term licenses force librarians to purchase eBooks in advance without really being aware of their real demand, unlimited term licenses guarantee the economic sustainability of the purchase since the number of loans contemplated in the license does not expire. In this context, publishers are experiencing the derived benefits of the unlimited term licenses versus the traditional limited ones.

Over the past years, publishers have seen that “Limited term licenses” (as described in section 4.4) reduce the potential for the renewal of new licenses since librarians will not purchase further licenses until all the Limited Term licenses have experienced. In contrary, the unlimited term licenses fosters the purchase of new licenses since the previous purchases do not expire.

4.6

PERPETUAL LICENSE



Many people confuse perpetual licenses with unlimited term licenses despite the fact that they neither offer nor cost the same. Perpetual licenses imply payment for the acquisition of an eBook for its entire life, without limiting its loans. The eBook goes on to become part of the library’s permanent reserve collection and is always available for loan purposes, there being no need to pay new charges to the publisher or the copyright holder.



A Guide to Ebook Licenses Purchase Models for Libraries and Publishers

4.7

SUBSCRIPTION LICENSE



These licenses combine the three essential factors referred to earlier. On the one hand, they are concurrent user licenses allowing an unlimited number of users access to the same book. However, these licenses expire since the subscription usually lasts for three months or a maximum of one year. Finally, loans within these licenses are unlimited since users may read as many eBooks as they like during the subscription period.

4.8

PAY-PER-LOAN LICENSE



Also known as the “pay-per-use” model or “on-demand” license. The library pays the publisher when the user borrows the book. Titles are visible for lending without pre-payment by the library. The cost is incurred only when the book is borrowed. Although it is a highly favourable option, in theory, since it allows the library to offer an vast catalogue, libraries should handle these licences with care, limiting the number of users per book, since budgets may otherwise be consumed extremely rapidly against a rather limited number of titles, usually bestsellers.

5

ESTABLISHING THE MOST SUITABLE LICENSING CHOICE

Libraries are precisely known to cater for an extensive range of users with different tastes in reading and varied interests. Indeed, we could not imagine a publisher or library using one sole licensing model or having all its contents under one, single lending model as far as concurrence, circulation and term. On the contrary, the flexibility of the digital context allows for different licensing models based on the type of books or reader’s affinities.

Bookwire and Dosdoce.com hope that their knowledge and understanding of the peculiarities of the licenses referred to in the infographic will enable both libraries and publishers to select the most suitable model based on their needs. This process should be looked on as a negotiation among peers. In the digital age, publishers and libraries are “doomed” to getting along, in the good sense of the word, since they both need each other more than ever.



A Guide to Ebook Licenses Purchase Models for Libraries and Publishers

6

EXECUTIVE SUMMARY - INFOGRAPHIC DIGITAL LICENSING MODELS FOR LIBRARIES

<p>USER CONCURRENCE</p>	<p>NON CONCURRENT</p>	Use is permitted to a single user per eBook. Single license used for loans of printed books.
	<p>CONCURRENT</p>	Use is allowed to several users simultaneously.
	<p>CONCURRENT WITH LIMITED NUMBER OF USERS</p>	A limited number of users are allowed to borrow the item at the same time (usually not more than three)
<p>CIRCULATION OR LOAN</p>	<p>LIMITED NUMBER OF LOANS</p>	Limited to the number of loans (for example, 25)
	<p>UNLIMITED LOANS</p>	An unlimited number of loans is possible.
<p>LIMITED</p>	<p>TERM</p>	Acquisition of content/services for a limited term (months, years...) A right to renewal may be negotiated but the license expires regardless of the number of loans reached.
	<p>UNLIMITED TERM</p>	Time is not taken into consideration under this license which is governed by other circumstances, such as the number of loans. The licence concludes when the maximum number of loans is reached.
<p>PERPETUAL</p>	The classic printed book acquisition license model, it is acquired for a long term (10 years) and is not determined by other characteristics such as the number of loans since it is unlimited.	
<p>PAY-PER-USE</p>	The Library only pays for the titles and the reading percentage per user.	
<p>SUBSCRIPTION</p>	The Library provides a set of books at the users' disposal establishing each characteristic; concurrence, circulation and term. Subscription is normally concurrent, of unlimited circulation and expires within a given term.	



A Guide to Ebook Licenses Purchase Models for Libraries and Publishers

Bookwire 



7

CREDITS

This report was made by **Bookwire**, a platform specialising in the distribution of eBooks and audio books, in collaboration with **Dosdoce.com**, a company specialising in the development of digital business models.

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Translated by: Annabelle Prats

Cover & infographic design: Sergio Verde

About Bookwire

Founded in Germany in 2009, Bookwire is an eBook and audiobook distribution company specialising in marketing digital content in all existing and emerging sales channels worldwide. In 2011 Bookwire became the first certified European supplier for the Apple iBooks Store.

Bookwire offers a full service package of delivery, reporting, quality management, shop marketing and conversion. The company works with over 1000 publishing houses from 30 countries for which it provides the world's largest network of eBook and audiobook shops. Bookwire has offices in Germany, Brazil, Colombia, México, Peru, Spain and Russia.

About Dosdoce.com

Dosdoce.com was launched in March 2004 for the purpose of analyzing the use of new technologies in the cultural sector and publishes annual studies related to trends in the creative industries. Throughout the years we have compiled over 50 studies and reports on the use of new technologies in different areas of the cultural sector.

Dosdoce.com provides strategic management consultancy services, as well as digital skills training sessions to a wide range of cultural sector professional: publishers, retailers, museums, librarians, etc. Javier Celaya is the CEO and founder of Dosdoce.com, as well as Bookwire's Managing Director for Spain and Latin America.

Big Five Publishers and Library Lending

Penguin Random House—formed in July 2013 by the merger of Penguin Group USA and Random House.

Penguin Group USA is an affiliate of London-based Penguin Group which is a division of [Pearson](#). Among its imprints are Viking, G. P. Putnam's Sons, The Penguin Press, Riverhead Books, Dutton, Penguin Books, Berkley Books, Gotham Books, Portfolio, New American Library, Plume, Tarcher, Philomel, Grosset & Dunlap, Puffin, and Frederick Warne.

Random House is owned by [Bertelsmann](#) since 1998. Random House operates its own imprint and many others such as Alfred A. Knopf, Ballantine, Bantam, Dell, Pantheon, and Doubleday.

HarperCollins Publishers

Owned by Rupert Murdoch's [News Corporation](#). The firm's publishing groups include Zondervan, HarperCollins General Books, HarperCollins Children's Book Group, and HarperCollins UK and Canadian, Australian, and New Zealand publishing. HarperCollins has released more than 8,700 ebooks and 50 enhanced ebooks, according to its US website.

Macmillan

Owned by [Verlagsgruppe Georg von Holtzbrinck](#), of Stuttgart, Germany. American imprints include Farrar Straus and Giroux, Henry Holt & Company, W.H. Freeman and Worth Publishers, Palgrave Macmillan, Bedford/St. Martin's, Picador, Roaring Brook Press, St. Martin's Press, Tor Books, and Macmillan Higher Education.

Ebooks and audio:

As of [January 1, 2016](#), Penguin Random House makes its complete frontlist and backlist of ebooks available for library lending under the same terms.

Previously: Penguin and Random House had different terms.

Digital audio titles are available for library lending.

Library lending terms:

All titles available under perpetual licensing. One circulation at a time with no loan limits or period of use limits.

Previously: Penguin had a one-year expiration date on ebooks licensed to libraries.

Library pricing:

Varies, but is capped at \$65 per ebook.

Previously: Random House had a cap of \$85. Penguin library pricing was similar to what is offered to individual consumers.

Available through:

Overdrive, Bibliotheca Cloud Library, B&T Axis 360, MyiLibrary/Proquest, EBSCO, PermaBound, Odilo, Bibliocommons, Follett, Recorded Books, Mackin Educational Resources.

Consortium Access:

Consortium licensing permitted for public, academic and school libraries. (3/3/2015)

Ebooks and audio:

HarperCollins offers its complete ebook and audio catalog for library lending. In [February 2011](#) HarperCollins instituted a limit of 26 circulations after which the library must renew its license by buying the title again.

Library lending terms:

License must be renewed after 26 loans.

Library pricing:

Varies, but generally not more than the cost of hardcover equivalent and often much less.

Available through:

Overdrive, Bibliotheca Cloud Library, B&T, Bolinda, Booksource, Feedbooks, Gardners, Mackin Educational Resources, Odilo, One-Click Digital, and Perma-bound. (12/3/2015)

Consortium Access:

Consortium licensing permitted for public, academic and school libraries. (4/14/2015)

Ebooks and audio:

Currently: On [July 29, 2014](#), Macmillan announced that its entire frontlist and backlist will be available under its library lending program.

Previously: On [October 17, 2013](#), Macmillan announced that its entire backlist will be available to libraries. Frontlist titles are not available. Macmillan's digital audio titles are available for library lending.

Library lending terms:

All titles are available for a two-year/52-lend period (whichever comes first).

Library pricing:

Titles published less than 12 months ago: \$60. Titles published 12 months ago or more: \$40.

Available through:

OverDrive, B&T Axis 360, Bibliotheca Cloud Library, Recorded Books (One Click Digital), Odilo, Mackin Educational Resources, Feedbooks (Europe and Canada) and Gardners (mostly UK) (12/3/2015)

Consortium Access:

Consortium licensing permitted as of [September 12, 2014](#). Public and academic libraries may license individually or through consortia. School libraries may license individually only. (2/11/2015)

Simon & Schuster

Simon & Schuster is a division of [CBS Corporation](#). Imprints include Simon & Schuster, Atria, Free Press, Gallery Books, Pocket Books, and Scribner. The children's division includes Aladdin Paperbacks, Atheneum Books for Young Readers, Little Simon, Margaret K. McElderry Books, Simon & Schuster Books for Young Readers, Simon Pulse, and Simon Spotlight.

Ebooks and audio:

Currently: On [November 20, 2014](#), Simon & Schuster announced that it would no longer require libraries to offer a "Buy It Now" button in order to license its ebooks for library lending. Previously: On [June 26, 2014](#), Simon & Schuster announced that it is opening access to its entire catalog both frontlist and backlist to all libraries and library consortia but with the requirement of a "Buy It Now" button.

Digital audio titles are generally available.

Library lending terms:

A one-year expiration date on ebooks licensed to libraries.

On [November 12, 2015](#), Simon & Schuster announced a pilot program with 550 titles with a special two-year license priced at 1.5 times the one-year price.

Library pricing:

Prices are generally more than the cost to a consumer, but less than the hard cover edition.

Available through:

OverDrive, Bibliotheca Cloud Library, Baker & Taylor Axis 360, Recorded Books, Odilo, Mackin Educational Resources, and Bibliocommons (12/3/2015)

Consortium Access:

Consortium licensing permitted for public libraries only. No provision for licensing to academic libraries individually or in consortia. Licensing to individual school libraries only. (2/26/2015)

Hachette Book Group

Hachette Book Group is owned by Hachette Livre, which is a wholly-owned subsidiary of [Lagardère](#). The company has numerous [publishing groups](#) but most of the ebooks and digital audiobooks produced by Hachette Digital are based primarily on books published by Grand Central Publishing, Little, Brown & Company, Orbit, Yen Press, Little Brown For Young Readers, FaithWords, and Center Street.

Ebooks and audio:

As of May 8, 2013, Hachette is making its [full catalog](#) of ebooks available for library lending.

Previously Hachette did not make its front list ebooks available for library lending, but its backlist up until publication dates of April 2010 were accessible.

Digital audiobooks are widely available.

Library lending terms:

New ebooks will be released simultaneously with the print edition and sold for an unlimited number of single-user-at-a-time circulations.

Library pricing:

Pricing is always at HBG's sole discretion. HBG's pricing is three times hardcover. (3/9/2015)

Available through:

OverDrive, Bibliotheca Cloud Library, Baker & Taylor Axis 360, Odilo, Mackin Educational Resources, Follett, EBSCO, OneClick Digital and PermaBound. (12/3/2015)

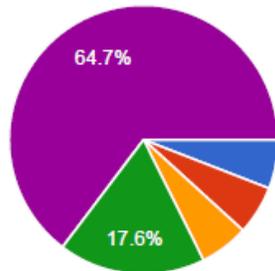
Consortium Access:

Consortium licensing determined by HBG on a case-by-case basis using criteria including number of libraries, size of population and circulation numbers. Public, academic, and school consortia can be considered. (3/9/2015)

Last updated January 18, 2016, by Robert C. Maier

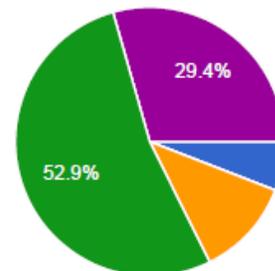
The following present a **CHALLENGE** to my library system and member libraries in acquiring e-books:

Cost of e-book acquisition



Strongly disagree	1	5.9%
Disagree	1	5.9%
Neither agree nor disagree	1	5.9%
Agree	3	17.6%
Strongly agree	11	64.7%

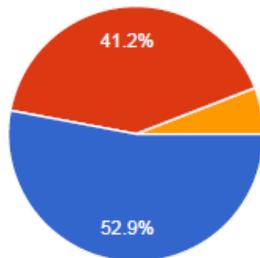
Licensing terms limit patrons' access to e-books



Strongly disagree	1	5.9%
Disagree	0	0%
Neither agree nor disagree	2	11.8%
Agree	9	52.9%
Strongly agree	5	29.4%

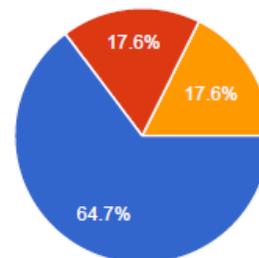
Please rate the level of satisfaction of your system and member libraries on the following aspects of e-book acquisition:

Cost of e-books



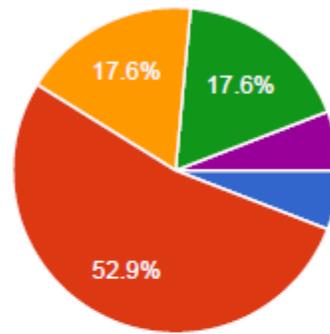
Not at all satisfied	9	52.9%
Slightly satisfied	7	41.2%
Moderately satisfied	1	5.9%
Very satisfied	0	0%
Extremely satisfied	0	0%

Expiration dates for licenses



Not at all satisfied	11	64.7%
Slightly satisfied	3	17.6%
Moderately satisfied	3	17.6%
Very satisfied	0	0%
Extremely satisfied	0	0%

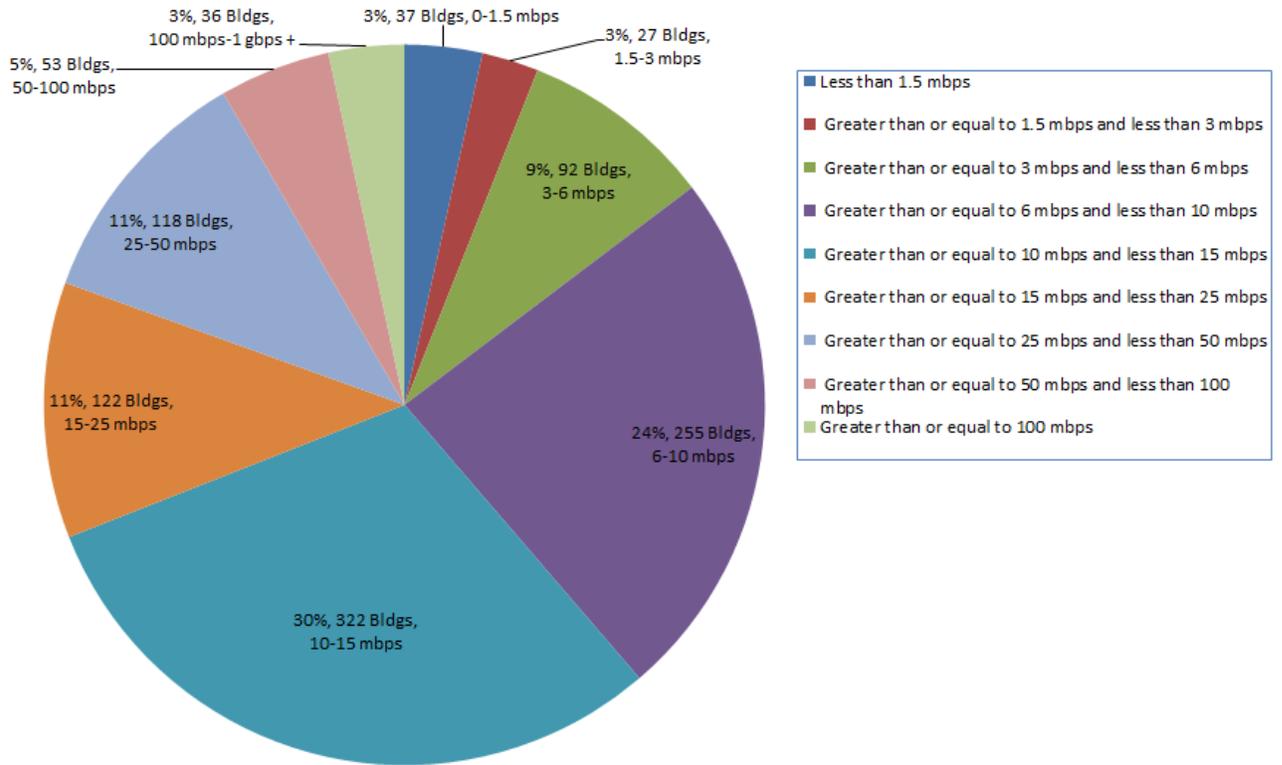
On average, e-book availability in my system meets the demands of patrons.



Strongly disagree	1	5.9%
Disagree	9	52.9%
Neither agree nor disagree	3	17.6%
Agree	3	17.6%
Strongly agree	1	5.9%

Appendix 8

NYS Public Library Buildings - Broadband Download Speeds



SOURCE: NYSL 2014 ANNUAL REPORTS-Represents 1062 Library Buildings