

Project DEAL – nationwide licensing of the products offered by major academic publishers

Safeguarding adequate provision of up-to-date literature for research and teaching has been an issue at most research locations in Germany for many years. The ongoing consolidation among major international academic publishers has continued to reinforce the market power of providers and has caused prices to rise dramatically. Scientific libraries' budgets for acquisitions have not been able to keep up for many years; it is a long time since they were able to provide researchers and students alike with everything they need.

The **objective of the DEAL project** is to conclude licensing agreements for the entire range of electronic journals offered by the major academic publishers. The intention is also to bring about significant change to the status quo in relation to negotiations, content and pricing in the process. At the same time, it is intended that an open access component should be implemented, meaning that the costs of open access publications borne by the research institutions will be taken into consideration within the scope of such licences. Several hundred institutions in Germany (such as universities, universities of applied sciences, research institutions, state and regional libraries) have declared their support for signing such licensing agreements.

At present, expenditure for the three major publishers (Elsevier, Springer Nature and Wiley) already ties up around 60 per cent of scientific libraries' acquisition budgets – and this figure is still rising. A further objective of DEAL is to halt this trend, and regain greater scope for the tailored, user-oriented supply of academic literature. This would also mean that small and medium-sized publishing houses, in particular, would benefit considerably from the easing of the strain on universities' and research institutions' acquisition budgets. This will enable smaller publishers to regain a greater share of the market. And, finally, the licensing and pricing models developed as part of DEAL can also be applied to the signing of corresponding contracts with other (small and medium) academic publishers.

The intense negotiations that have been under way with Elsevier for several months are proving to be very difficult. The Alliance of Science Organisations in Germany published a joint statement at the end of last year (www.leopoldina.org/uploads/tx_leopublication/Allianz_Verhandlungen_Elsevier_EN.pdf), in which it called upon the publisher to "present a transparent and long-term offer and to resume negotiations". While Elsevier had previously presented an offer to the negotiating team, which includes scientists of very high standing, in the view of the Alliance the offer did not accord with the principles of open access and fair pricing. Despite its current profit margin of 40 percent, the publisher was still intent on pursuing price increases even higher than the licence fees paid to date. The publisher also rejected more transparent business models that are based on publication and that would make publications more openly accessible.

As a consequence, about 60 scientific institutions had terminated their contracts with Elsevier with effect as at the end of 2016. The institutions involved are, for the

most part, highly regarded major institutions and consortia. This equates to a share of around one-fifth of Elsevier's estimated annual revenues in the academic journals sector in Germany. Due to current contracts spanning several years, it was not possible to terminate all contracts at the end of 2016. Many other institutions however have already signalled that they will make use of their termination right in the coming year if no DEAL agreement has been reached by that point. An appeal by the German Rectors' Conference to highly respected scientists active on the editorial boards of Elsevier journals to withdraw from those boards also received a great response. In the face of the pressure generated by the scientific community, Elsevier has now indicated its willingness to negotiate for the first time in relation to an open access component and to present a pertinent offer.

(Information as of March 2017)

Background information on Project DEAL

The Project DEAL (www.projekt-deal.de/about-deal/) was launched by the Alliance of Science Organisations in Germany on the initiative of the German Rectors' Conference (HRK). The Alliance of Science Organisations in Germany is a union of the most important German research organisations. Members of the Alliance include the Alexander von Humboldt Foundation, the Deutsche Forschungsgemeinschaft (German Research Foundation), the Fraunhofer-Gesellschaft, the German Academic Exchange Service, the German Council of Science and Humanities, the German National Academy of Sciences Leopoldina, the German Rectors' Conference, the Helmholtz Association of German Research Centres, the Leibniz Association, and the Max Planck Society.

The negotiations with Elsevier for a nationwide licensing agreement are being conducted under the leadership of the President of the German Rectors' Conference, Prof. Dr. Horst Hippler.

Exploratory discussions were also held with publishers Springer Nature and Wiley in January 2017, and negotiations will commence shortly.

The business models should also serve as a reference for other publishers. Several hundred institutions (such as universities, universities of applied sciences, research institutions, state and regional libraries) have declared their support for signing such licensing agreements.