Journey of discovery: challenges of e-book lending in a digital world

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Abstract
Purpose – The purpose of this paper is to discuss the impact of e-books on interlibrary loan and document delivery practices based on the experience of the National Library use of e-resources and the analysis of different e-book lending models based on one of authors travels to the USA.

Design/methodology/approach – The authors use a case study approach and their own experiences with e-resources.

Findings – E-books are increasingly important to libraries, and there are different models for acquiring and providing access to them. Whilst document delivery is permitted, interlibrary lending is usually not. Interlibrary loan departments are encouraged to be part of the dialogue between libraries and publishers, to seek a middle ground that balances the needs of the authors/publishers and library users wherever they are.

Originality/value – This paper will be of interest to anyone involved with collecting or providing access to e-books through their own collections or through interlibrary loan (ILL)/document delivery (DD). The contrast of different approaches to e-book access in Australia and the United States is instructive. This paper is based on the authors’ original presentation at the 13th Interlending & Document Supply Conference, October 16-18, 2013 in Beijing China.

Keywords Electronic resources, Document delivery, Electronic books, National library of Australia, Interlibrary lending, E-book models

Paper type Case study

Background
Australian libraries are usually early adopters of technology, so it was inevitable that as e-resources and e-books came on the market, Australian libraries would begin to collect/subscribe to these resources. The proportion of the budget spent on e-resources has grown over time, with some sectors spending > 80 per cent of their acquisitions budget on e-materials, whilst others are more conservative or have funding constraints, spending only around 6 per cent. For example, in 2011/2012, the expenditure for public libraries on e-resources was about $6,310,000 or 6 per cent of their total acquisition budget (State Library of Queensland, 2013). This differs greatly from the university sector which, in 2012, spent $203,128,556 (Council of Australian University Librarians, 2013). As the acquisition of e-resources increases in libraries, access to this material through interlibrary loan and document delivery comes into question. In the Australian context, acquisition of e-resources includes: on subscription, outright purchase as files and/or through the vendor platform, pay per use and, in some cases, via voluntary/legal deposit at a national or state library. However, the bulk of material acquired by libraries is under licence, and therefore, the usual library exceptions under the existing Copyright Act do not apply. It is only if the library has been successful in its licence negotiations with the vendor that access for document delivery will be allowed.

Casting back to when subscriptions to e-journals were first available, access for document delivery was not always permitted. It was only as the library community came together to develop standard wording to be incorporated into negotiations that enabled access for resource sharing amongst libraries.

Anecdotally, access to electronic resources for document delivery across the library community varies. In some cases, libraries have been able to successfully negotiate access for document delivery. This is particularly so for small libraries or libraries in consortia such as the university sector, where it has been possible to negotiate contracts that allow this type of access. However this is not always the case, and, in some cases, access for document delivery may be restricted to one’s own country, sector, delivery method or not at all. It should also be noted that in many cases, although the library may have negotiated access for document delivery purposes, some e-journals will have an embargo period which can range from one month to three years, where the articles are not available at all.

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Changes to collection development policies

The National Library of Australia (NLA) has been collecting electronic publications for many years, starting with CD ROMs, and then adding serial subscriptions, web archiving and, more recently, e-books. The NLA has the responsibility “to maintain and develop a national collection of library material, including a comprehensive collection of library material relating to Australia and the Australian people” on behalf of the Commonwealth of Australia (Commonwealth of Australia, 1960). Although the Australian Copyright Act (1968) requires publishers and self-publishing authors to deposit a copy of any print work published in Australia with the NLA to preserve it for use now and in the future, there is no similar requirement for digital publications. To collect and preserve digital material, the Library, in addition to purchasing and subscribing to e-resources, developed the Pandora Service to collect Australian websites of importance. With permission from copyright holders and in conjunction with the Internet Archive, NLA conducted a number of Australian domain harvests until such time as the proposed legal deposit legislation incorporates digital/electronic publications.

The increasing availability of publications in electronic format, storage concerns and budgetary pressures led the Library to establish a project in 2011 to review its overseas component of the Collection Development Policy. The policy outlines the NLA’s collecting intensity for material published in Australia and overseas within the parameters set in the National Library of Australia Act.

In revising the policy, the Library carefully considered its role under the National Library Act, increasing availability of e-books more broadly to the community and the regional role, particularly in collecting Asian and Pacific materials.

The Library’s commitment to its Asian and Pacific collections has not changed under the new policy and collecting will continue from and about the countries of the region. Other overseas collecting will be more selective in future and will focus on the Library’s collecting areas of interest: very broadly, the historical, cultural and social aspects of Australia, its development as a nation and its place in the Asia-Pacific region and the wider world. There are a number of reasons for the Library’s greater selectivity in overseas collecting. These include the wide availability of information online that was previously only accessible in libraries, the opportunity to use collaborative networks to provide access to collections, and the need to reduce costs and maintain the overseas acquisitions program within the level of resources available. (National Library of Australia, 2013)

One of the most significant changes in the Overseas Collection Development Policy was to implement an overarching principle where the Library will give preference to digital formats over print, wherever digital formats are available.

The shift to digital form has been under way for some time and reflects our users’ overwhelming preference for the immediate access it affords them to the collection, wherever they may be located. (National Library of Australia, 2013)

In July 2012, the Library began the shift to e-books for overseas collections. The Library’s policy of aiming for either remote access to and/or interlibrary loan/document delivery for e-resources, in general, now includes access to e-books as well. There are however limitations. Although document delivery of a chapter is permitted under the license agreement, e-lending to another library’s user is not. Remote access allows any patron of the National Library to access the titles from their home wherever it may be.

Although libraries have been acquiring e-books through e-resources for many years, the adoption of e-books in Australia as a whole has lagged behind some other countries, particularly the USA. This has been partly due to the slow adoption by Australian publishers and the delayed release of e-reading devices in the Australian marketplace. The rate of e-book adoption has been variable depending on the library sectors. For example the university sector began purchasing e-books in 2008; however, it was only the wide availability of e-devices in Australia in the last few years that spurred public libraries to purchase e-books for their readers. As already mentioned, the National Library only began its e-book trial in 2012 after a detailed review of the Library’s Collection Development Policy, whilst other Australian libraries have been gradually venturing over the past five years into the e-book environment provided by e-book vendors such as Overdrive, EBL and Ebrary.

E-books in the USA

In June 2012, Anne Xu, one of the authors was awarded the Friends of the National Library Travelling Fellowship and travelled to the USA to learn firsthand about the uptakes of e-books in the libraries. By then, e-books had well and truly been commercialised and become more mainstream. The libraries had passed the early adoption period, and the maturity of the e-book environment was evident by the number of e-book platforms and lending models trialled and adopted by libraries, including platforms provided by commercial vendors and publishers, as well as some developed by libraries. The latter interested the author in particular, as it seemed not only to provide an alternative to the commercial products but also an approach that libraries as a whole may need to explore sooner or later.

Lending provided by distributors and publishers

E-book distributors provide libraries with e-book platforms that aggregate a large quantity of material published by various publishers and provided Digital Rights Management (DRM) to manage access, rights and the lending/download process. These platforms make it easy for a library to acquire and provide its users with efficient access to e-books and, therefore, are widely used by libraries. Libraries are usually provided with different acquisition options including: subscribing; renting; buying outright with or without perpetual access; or purchasing single user, multi-user, simultaneous and/or unlimited access.

Among the known e-book distributors, EBL, Ebrary, EBSCO and MyiLibrary target academic and research libraries, while OverDrive, Axis 360 and 3M Cloud Library predominantly focus on public libraries.

The lending model being piloted by academic and research libraries typically involves multi-user simultaneous access, with the preferred option being the ability to acquire material based on user demand, such as patron-driven acquisition (PDA), also known as demand-driven acquisition (DDA) offered by EBL and Ebrary. By contrast, the model adopted by public libraries is closer to the print model of one user at a time per e-book title, which is usually purchased with perpetual access.
PDA or DDA allows a library to load a large set of e-book records provided by a distributor to their catalogue, to pay as a title is viewed or downloaded. A range of parameters such as price limit or the number of times or various ways a title is viewed can be set to trigger either manual or automatic purchasing. By mid-2012, this form of e-book acquisition had been piloted in the USA by different consortia such as Orbis Cascade Alliance, a consortium comprising 37 academic libraries in Oregon, Washington and Idaho. The attractiveness of PDA and DDA includes its crowd-based selection and acquisition that ensured the titles purchased or paid for are used at least once. In Orbis Cascade Alliance’s case, its trial in 2011/2012 showed a significant amount of budget was spent on titles viewed on short-term loan (STL) and only a small number of titles were purchased when a pre-set trigger on a number of times a title was viewed on STL was activated.

The lending model offered by publisher platforms is similar to that of the distributors. It provides single, limited or unlimited multi-user simultaneous access with fixed or open-ended lending periods depending on the purchasing option taken by a library. Selected or packaged content can be subscription-based or purchased with perpetual access. Unlimited multi-user simultaneous access is the most flexible lending model in meeting user demand, as there is no waiting period, and it results in the highest level of user satisfaction; however, it comes at a price and may not be affordable for many libraries.

Publishers, in some cases, have adopted similar business models as they did for e-resources and enforcing embargo periods on newly published e-books. An example is Penguin’s e-book lending pilot with e-book distributor 3M and the New York Public Library and Brooklyn Public Library, where Penguin’s e-books are only available for library lending six months after publication (NYPL, 2012).

Lending provided directly by libraries
Douglas County Libraries in Colorado is a pioneer in sourcing, owning, lending and managing e-books without relying completely on e-book distributors. It purchases e-books from publishers and hosts the e-books through a self-built e-content management system, and then circulates DRM-protected e-book files under the lending model of one user at a time with a fixed loan period. With this system, the libraries retain complete ownership of the titles purchased, i.e. titles cannot be removed or withdrawn by publishers. In addition, the libraries can negotiate a better deal from publishers (LaRue, 2012).

Douglas County Libraries’ pioneering efforts demonstrate that libraries do not have to be passive consumers subject to the prices, rules or conditions set up by publishers or distributors. It has demonstrated that libraries can stick to their principles of owning and preserving collections for their communities by taking a strong position in the e-book environment. This approach is beginning to have an impact on the dynamics of the e-book market. For example, Smashwords, an e-book distribution business, launched a service called Library Direct that sources e-books from authors and publishers at a discount price and transfers the e-book files to libraries (Enis, 2012).

Internet Archive e-book lending
The Internet Archive provides a different e-book model – open and free access to over one million out-of-copyright e-books in various downloadable formats through its “Open Library” catalogue, as well as membership-based access to over 1,000 in-copyright e-books free of charge through its “In-Library Loans” direct lending program. There are over 1,000 “library partners” that participate in the Internet Archive’s “In-Library Loans’ lending program”.

The Internet Archive built its e-book collection mainly through massive digitisation of the titles contributed by its library partners and second-hand book dealers. It has also purchased some e-books directly from publishers and distributors. All of its member libraries have contributed to its collection by providing at least one collection item for digitisation. E-book usage statistics show on average between 500 and 700 loans a day during 2012 with a trend of increasing usage.

The Internet Archive’s lending model is like “an instant, hassle-free interlibrary e-book loan” among its member libraries with direct individual access to a single e-book repository. However, the collection coverage of in-copyright e-books is very limited, especially for more recent publications.

OCLC e-book lending
Online computer library centre (OCLC) piloted an e-book program with Ingram Digital in 2011 to provide WorldCat Resource Sharing (later branded WorldShare) member libraries with access to a subset of Ingram Digital’s MyiLibrary e-books. The lending model OCLC adopted was to set up MyiLibrary as one of its library locations on WorldCat Resource Sharing/WorldShare. Once an e-book title is discovered through OCLC FirstSearch, a library can request it through normal interlibrary loan (ILL) process, i.e. to add MyiLibrary location to the rota and send the request to MyiLibrary. The e-book title would be provided to the requesting library for a nine-day STL and charged at 15 per cent of its listed price.

Unlike other models involving purchasing or subscription and providing direct and unmediated access, the OCLC lending model offers libraries with one-off access to an e-book title through the standard interlibrary lending process. It has removed the need for each library to negotiate a license agreement with an e-book distributor. Although it may not be used by libraries as a main source of e-books, it could certainly be a helpful supplement to the core collection of a library. This model may have the potential to meet the needs of a particular type of library.

The OCLC e-book lending model makes use of its established interlibrary lending module known as WorldCat Resource Sharing or WorldShare to facilitate e-book access and connect the libraries with a commercial e-book distributor. Although it is not clear whether the model is effective in practice, it is nevertheless an innovative and useful trial to explore the possibilities of resource sharing in the e-books environment.
Interlibrary lending and resource sharing

With print books, libraries can lend to each other without geographical limit and at reasonable costs. In the USA, interlibrary lending of print material is based on ownership of the material and a legal framework based on fair use exceptions and the first-sale doctrine, which is the legal precept that enables libraries to lend and borrow books in the first place. With e-books, libraries are restricted by the terms of negotiated licence agreements that dictate how the library and its users may access and use the content purchased. For example, the licences may specify that e-books can be used for interlibrary lending but limit libraries to providing a single chapter only. In very rare cases, libraries have been allowed to lend an entire book but are often restricted to downloading and delivering one chapter at a time, which makes interlibrary loan no longer a viable option. Interlibrary lending or resource sharing, one of the most successful cooperative services developed by the global library community, was compromised through these restrictions and has now been seriously challenged in the e-book environment.

Resource sharing of e-books is mostly consortium-based in the USA. The consortium member libraries proportionally contribute to the purchasing of e-books, and their users directly access the e-books on offer. These consortia may be based on library sector and/or geographical area or region. Most of the e-book lending models so far provide direct and unmediated lending from the e-book collection of a library, consortium, e-book distributor or publisher direct to the end user. Libraries are exploring demand-driven models of acquisition such as PDA and DDA as an alternative to interlibrary lending.

If e-book lending continues to be limited to consortial partners only, and ILL cannot operate as it did in the print environment, the question then is how to meet the borrowing needs of a user when local collections prove insufficient. Direct purchasing would appear to be the only option in the e-book environment.

As publishers play a major role in determining whether e-books can be used for interlibrary lending and resource sharing, their concerns must be addressed first if interlibrary lending of e-books could be possible at all. This was voiced by library colleagues in the USA. The major concerns of publishers seem to be the potential loss of revenue as a result of piracy. Libraries are seen as competitors rather than as partners in bringing books and readers together. Therefore, whichever options libraries wish to explore, these concerns will need to be addressed.

Some of the challenges to e-book lending, such as the need to process separate files for each chapter of an e-book or publishers’ objections to sharing e-books between libraries beyond the confines of a particular consortium, may soon be resolved – or, at least, there is reason to hope so. Occam’s Reader, a ground breaking project in the USA enabling interlibrary lending of whole e-books, is the result of a joint development between Texas Tech University and the University of Hawai’i at Manoa in collaboration with the Greater Western Library Alliance (GWLA). The group developed an e-book lending system, which comprises a librarian interface and the online viewer interface. It allows the lending library to download all files related to a particular e-book, combine them into a single file and upload that file to the Occam’s Reader server, which then triggers an email containing a URL of the file to be sent to the borrowing library (Anderson, 2014). This new e-book lending model, built on the concept of print book interlibrary lending, is a significant move forward in interlibrary lending and resource sharing in the e-environment. GWLA recently announced that they are working jointly with the publisher Springer to provide interlibrary lending of Springer e-books between all 33 GWLA member libraries. The initial outcome of the project trial within GWLA member libraries indicated a win–win result for both libraries and the publisher, which is most encouraging (Hagelin, 2014).

In conclusion, the efforts that libraries in the USA have made so far in procuring and managing e-books is leading the way forward in meeting the need for interlibrary lending. Direct lending within consortia, direct purchasing through PDA or DDA from e-book distributors, acquiring DRM free e-books, sharing e-book collections among libraries and e-interlibrary lending are all having an impact. The future of interlibrary lending of e-books depends on whether libraries are prepared to reach a compromise with publishers. It involves working together, innovating, explaining to and negotiating with publishers and e-book vendors with the aim of finding a way to provide access to e-books that meet the demands of library users. It may be too early to exclude interlibrary lending completely in the e-book environment.

E-book, e-lending and document delivery global context

The advances made by American libraries in e-interlibrary lending is however not being experienced in libraries elsewhere. ILL/document delivery (DD) enables users to request access to material not held in their local library collection. With the inundation of published material, tight library budgets and increasing user expectations, libraries will be unlikely to have the capacity to purchase all of the material their patrons may need or want. The digital environment will not alter this fact and will most likely exacerbate it. Libraries will still need to look outside their collections to assist their clients, whether they are able to source the material directly from authors, publishers, vendors or other libraries is another matter. The question, therefore, is what options will libraries have in the future?

In 2013, IFLA launched the “IFLA Principles for Library e-Lending”, developed to assist libraries to “grapple with the complicated process of negotiating e-book licenses with publishers and resellers”[1]. These guidelines came about as a result of the process of negotiating e-book licenses with publishers and resellers. The principles state that libraries must/should have:

- the right to license and/or purchase any commercially available e-book without embargo;
- reasonable terms and conditions at a fair price;
- copyright limitations and library exceptions available;
- e-publications should be neutral platform taking into account accessibility standards;
• the ability to preserve e-books long term; and
• be able to protect the privacy of library users.

The European Bureau of Library Information and Documentation Association (EBLIDA) released its “the right to e-read” in June 2013, a statement aimed at the European Union Commission calling for a copyright framework that allows libraries to acquire and lend e-books, just as with print books. The document acknowledges authors’ and publishers’ rights to fair pricing (EBLIDA, 2013).

In the USA, libraries have, for the past few years, engaged with publishers, although not always amicably seeking better access to e-books. Recently, the Urban Libraries Council released its briefing paper “Libraries, Publishers and Public Access to E-books” aimed at the US Congress highlighting the issues faced by public libraries in providing access to users (Urban Libraries Council, 2013).

In Australia, the Australia Library and Information Association (ALIA) developed an issues paper on e-books and e-lending released in January (ALIA, 2013a) and published the ALIA position statement on e-books and e-lending, May 2013 (ALIA, 2013b). ALIA has spent the last 6-8 months consulting with the library community to explore issues relating to e-books in Australia. It has been an interesting process with libraries reporting significant issues in purchasing e-books. Examples include: libraries have been excluded from access to e-books with publishers/vendors not selling under any circumstance; pricing at increased rates, sometimes over 300 per cent, or dictating the number of copies the library must purchase; embargo periods on access and often popular authors are not available for purchase/lease.

In all cases while document delivery is allowed, temporary loans to the patron of another library, i.e. interlibrary lending, is prohibited.

At the same time, the Book Industry Collaborative Council (BICC) was established in June 2012 by the Australian Government to work to maintain a dialogue with the government and to encourage collaboration between the different sections in the book supply chain. The Council focused on seven key areas for industry reform and established expert groups to examine them in detail. These include copyright, data, distribution, export, industry skills, lending rights and scholarly book publishing. Libraries have had representation in two of these groups. The final report (BICC, 2013) of the Council was launched in July 2013 and offers comment on three issues of particular import to libraries. The report developed a set of principles for the supply of e-books to libraries, recommended a framework for digital lending rights and suggested principles to incorporate into the Copyright Act currently under review.

The lending rights group recommended eight principles on e-lending including:
1 Libraries’ role in promoting a reading culture.
2 Models for the supply of e-books to libraries.
3 Availability of e-books through libraries.
4 Continuity of access.
5 Fair remuneration for authors and publishers.
6 Fair pricing.
7 Rights protection.
8 Device neutral e-books.

These principles would provide a more consistent model for the supply of e-books to libraries and are intended to influence the book industry in Australia. This is a welcome outcome and hopefully will be adopted by the Australian Government in the coming years.

However, whilst these endeavours will hopefully lead to a more balanced approach to e-books, at this point in time, there are a number of questions that still need answers.

Conclusion

Libraries have provided a bridge between the vast world of information and its users ever since they were created. The Australian Book Industry Collaborative Council Report clearly identifies libraries as having an important role to play in bringing readers to books. This was confirmed in a recent article, “Yes Library borrowers really do buy books 3.2 a month” (Abrams, 2012), highlighting the results of a survey of > 75,000 library users hosted by OverDrive and ALA. The study found library users purchase 3.2 books per month, and 53 per cent reported they would consider purchasing books discovered through their library.

The publishing world is currently undergoing massive changes: the increasing concentration of publishing houses, the rapid adoption by readers of e-devices and the increasing demand for equitable access across the world for material, all need to be addressed in the longer term. Somewhere in this complex environment, libraries are asking questions about e-books and e-lending, as well as their role in providing access.

Libraries need to be able to acquire material for their collections in both print and/or digital form. Most libraries, but more particularly state and national libraries, have a significant role in collecting and preserving their national culture and heritage along with collecting and preserving access. The provision of access to material is one of the reasons for their existence. State and national libraries, in particular, collect a wide range of materials in addition to published items; the libraries collect original papers, grey literature in print and electronic formats, websites and self-published materials to name a few. To enable these libraries to fulfil their statutory requirements, a legal framework is required. Legal deposit legislation will need to be enacted to extend legal deposit to digital publications.

In Australia, two states have enacted legislation to enable this type of deposit, and the NLA is currently working with the Federal Attorney General’s Department to pursue similar changes to the legislation. In the meantime, the Library has developed strategies to seek voluntary deposit for e-books from publishers/authors. The aim is to ensure long-term access to this material by collecting and preserving it and hopefully provide some form of access.

What options do Australian libraries have in terms of providing ILL/DD services in the long term for e-resources including e-books?

First, libraries need the legal framework to allow them to purchase and provide ILL/DD access to e-books while safeguarding the authors/publishers’ rights. In addition to purchase or subscription to commercially available material, a sound legal deposit framework for e-books including self-published material would be helpful in collecting and preserving this material. The Copyright Act should ensure
that some reasonable access is available including the ability to provide short-term temporary access to library patrons. The assumption that libraries will be able to purchase any item requested on behalf of their patrons is perhaps naive. First, regional publishing practices may result in particular items not being available for purchase. Second, library budgets may impede purchases. Third, will publisher/vendors continue to provide longer-term access to their entire back catalogue.

In the case where legal deposit is absent, then pursuing voluntary deposit arrangements with publishers/authors can be beneficial and allow the rights holders to specify the access options available for their publication.

In terms of commercially available e-books, one obvious option is to circumvent the need for interlibrary lending by purchasing the titles in either electronic or print format whenever there is a demand from a user. This option has been adopted by some libraries for print material. PDA or DDA can meet the need of users to some extent, but as mentioned earlier, it is unlikely to fully meet the need for interlibrary lending completely. The cost associated with this option can be high, and libraries may not be able to meet it or the material may not be available in that region/country.

Another potential option could be an extension to use the pay-per-view lending feature provided by many e-book vendors such as STL for the purpose of e-book interlending among libraries. With this option, libraries would need to be able to access each other’s e-book platforms for a title that is not held in the home library and pay a reasonable fee for the access. The fees could be paid either directly to the publisher if the supplying library does not own the title or, otherwise, to the supplying library.

In any case, interlibrary loan departments need to be part of the dialogue between libraries and publishers to allay fears and seek a middle ground that balances the needs of the authors/publishers and library users in whichever library they may be: in mine, yours or theirs.

**Note**


**References**


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