February 24, 2010

MEMORANDUM

TO:          ILL Partners

FROM:        Clifford H. Haka, Director of Libraries

RE:          Michigan State University Interlibrary Loan Status

The MSU Libraries, like many libraries, is facing budgetary challenges. This has encouraged us to re-examine all expenditures, including some that have previously been viewed as untouchable. This process brought us to consider and eventually adopt an alternative cataloging module, that being SkyRiver. While initially pursued for cost savings, we have been pleased with the software and cataloging is proceeding as it has in the past. That said, the cost savings amounted to approximately $80,000 per year. We assumed that these savings would be somewhat offset by the cost of batchloading our records/holdings into OCLC for ILL purposes. OCLC’s current pricelist of service charges suggests that the cost for such record uploads would be $0.23 cents per record, a charge that they verbally quoted to another library utilizing SkyRiver. At that price, our anticipated cost to upload holdings would have been in the neighborhood of $6,000 per year, a cost we would have readily paid in support of ILL. Unfortunately, the response to MSU’s request for a price to batchload our current holdings, which we received in writing, was $54,000 for just five months, with the potential to be reduced by cataloging credits. These credits were estimated to bring the actual cost to around $31,000, but this cost, when extrapolated to a full year, would virtually eliminate the savings incurred by the move to SkyRiver. More disturbing is that this cost to simply upload records would exceed 80% of the annual cost of using the SkyRiver complete cataloging utility. Naturally this was unacceptable and we have declined the offer.

This situation is disappointing, especially at a library with a long history of supporting cooperative endeavors, including early support of OCLC and accurate maintenance of holdings on OCLC for decades. In addition, MSU was a founding member of the Center for Research Libraries, and more recently we prototyped and led the implementation of MeLCat, a state-wide resource sharing cooperative that now includes over 400 Michigan libraries that filled 822,061 requests last calendar year. As a land grant institution, we take cooperative efforts seriously, and so it is with great reluctance that we take this step. While we will continue with OCLC for ILL, I regret that our newer holdings will not be available for others to consult.
We would welcome the opportunity to start loading MSU records and holdings into the OCLC database, as soon as a reasonable price structure can be proposed. Until that time, I apologize for any inconvenience caused to our ILL partners. MSU sincerely wishes to contribute its SkyRiver records to the OCLC database for utilization by other libraries and in support of ILL activities, but the suggested cost structure is prohibiting this from occurring, to the detriment of every OCLC member.

Until we receive an acceptable batchloading price from OCLC, we will aggressively pursue alternative avenues for cooperative document delivery arrangements so that materials held within the collections at MSU can be identified and made available to libraries representing interested users. This will include an immediate consideration of joining RAPID, efforts to expand an existing world-wide ArticleReach collective, and work with SkyRiver to assist with the expansion of that utility to include an integrated ILL alternative for both journal articles and monographs. The key software pieces to accomplish this transition already exist, so I hope and expect that a comprehensive alternative, at a dramatically lower price, can be available for all libraries.

The contention has been made that actions such as ours seek to undermine the WorldCat database. I would simply respond that the price currently quoted to upload these records into the database is the factor that should be questioned. If you agree that batchloading approximately 26,000 records into the database should legitimately cost around $74,000 per year, then you can certainly conclude that we are diminishing the database by refusing to pay this amount. If this price seems excessive, then maybe the problem lies elsewhere. It is further suggested that one needs to utilize the OCLC cataloging module to support WorldCat. This is a curious argument as there are millions of records in the database that did not originate via the OCLC cataloging module, and more such records are being added every day. So one is left to wonder why OCLC now seeks to compel users to utilize their cataloging module, suggesting that if you don’t, you are somehow freeloading on resource sharing. This is also an odd assertion, as MSU currently pays $88,500 to OCLC to participate in resource sharing. When one compares this cost to what RAPID and other consortial arrangements charge for ILL processing, $88,500 does not seem like freeloading. And isn’t the implication that cataloging revenues are somehow underwriting resource sharing operations a source of concern?
Maybe none of this should come as a surprise. Recent history has seen computer companies attempt to coerce users into adopting their entire product line by producing merchandise that will not accommodate alternative inputs. I would like to think that a not-for-profit member driven organization would not attempt to employ such tactics, whether via product design or pricing structures.

Thank you for your understanding of our situation.

c: Larry P. Alford
    Chair, OCLC Board of Trustees