

## PNAS Announces New Tiered Site-License Pricing for 2004

The *Proceedings of the National Academy of Sciences of the United States of America* (PNAS) is announcing new tiered site-license pricing for institutions for calendar year 2004, along with weekly print publication. This notice will provide background and rationale for the decision to move to tiered pricing. Please see our website for the price chart.

### Background

PNAS functions as a break-even publishing operation. The National Academy of Sciences requires that PNAS generate the revenue to cover its operating expenses from year to year without carrying over any surplus as a reserve. PNAS receives no funds from the Academy, the government, or other sponsors. Although subscription revenue represents more than half of our total operating revenue (publication fees represent the remainder), PNAS is committed to maintaining affordable and fair pricing.

### Process

PNAS has analyzed various pricing models for institutional online access and has decided to unbundle print and online subscriptions in 2004 and to offer institution-wide online site licenses to redistribute the cost of operations more equitably across the subscriber base. PNAS pricing is set by the Committee on Publications. PNAS pricing policies are informed by its Librarian Advisory Group, which meets annually. In addition, PNAS routinely communicates with librarians and agents around the world and seeks feedback at library conferences and seminars.

### Model

The goals for the new site-license model are as follows. First, the model must be fair. Second, the prices should provide PNAS a sustainable framework from which to derive its operating revenue. Third, the pricing tiers should enable different segments of the market to obtain full access to PNAS at a price that is appropriate to their need, size, and likely usage. Fourth, because a tiered price structure can be more complicated than that of print, the new model should be as easy to understand as possible. Finally, the new model must recognize the different economics and values at play in online versus print publishing.

This model acknowledges the value that a site license provides to an institution: first, the broad, simultaneous access that can be provided through an online site license cannot be replicated in print; and second, the searching and linking features available online—and the immediate presence of a substantial archive of back issues—enhance the functionality and usefulness of an online journal to its readers well beyond anything print could enable.

In the fall of 2002, PNAS introduced a test site-licensing model for 2003 with five tiers of pricing based on the type of organization and, to a lesser degree, its size. This model was presented to about 100 institutions and was generally well received. Building on this experience, the cost of online access to PNAS in 2004 will be an institutional tiered-pricing model based on type of institution.

Although online prices may be higher for some institutions, PNAS has kept print subscriptions at the same price as in 2003 and will be offering substantially discounted print subscriptions to institutions that purchase an online site license. An analysis of current subscribers indicates that almost 30% of current subscribers will see a decrease in their 2004 subscription price (institution-wide).

Please see the pricing chart at <http://www.pnas.org/subscriptions/rates2004.shtml>.

**Summary**

In summary, the tiered-pricing model allows PNAS to offer more equitable distribution of pricing between large and small institutions, while maintaining a high quality journal at a lower price than most competitors. PNAS will also invest in new technological developments, as well as investing in the digital archive and providing free online access to more than 130 developing nations.

In September 2003, each institutional PNAS subscriber will be contacted with their tier and renewal information. If you have any questions or concerns, please contact us at [subspnas@nas.edu](mailto:subspnas@nas.edu).