

Journal of
Communication

Editorial Office

The Annenberg School of Communications • University of Pennsylvania, 3620 Walnut Street, Philadelphia, PA 19104-6220

Editorial: 215-898-6685

Business: 215-898-3406

April 2, 1986

Jeffrey House
Oxford University Press
200 Madison Avenue
New York, NY 10016

Dear Mr. House:

We hope your call yesterday was an April Fool's joke. It is hard for us to believe it otherwise. Enclosed, for your information, is a record (with copies) of our exchanges with various Oxford representatives in the matter of the Journal of Communication since we began discussing the matter over a year ago.

1. Marsha wrote Sheldon on May 21, 1985, providing detailed budget figures on the Journal in preparation for meeting in New York on June 6.
2. Sheldon, George and Marsha met at Oxford on June 6, 1986, and Oxford's interest in the Journal was confirmed; Sheldon, Marsha, and Susan Keiser had an extended discussion about production matters.
3. In the week following that visit, Susan telephoned Marsha and, in response, Marsha sent her a copy of the bid and an actual bill from William Byrd Press detailing the costs of printing the Journal.
4. Also in the week following the visit, Marsha had an extended phone conversation initiated by Jeffrey House, in which she answered his questions about arrangements with the International Communication Association, promotion and marketing efforts, and circulation.
5. Sheldon wrote on September 10, 1985, formally proposing to publish the Journal for a 20 percent commission (minus promotion costs) including "printing, promotion, and order fulfillment." The letter repeats that "Oxford would take charge of printing arrangements..." and reiterates for the third time: "On the commission basis which we have proposed in this letter, Oxford would pay production, marketing, and fulfillment costs and would in turn collect all subscription and other incomes."
6. Sheldon, George and Marsha met at the Annenberg School on September 13, 1985, to talk over the details of the offer. Both Marsha and George asked separately at various times in the conversation for affirmation that the 20 percent commission included production and order fulfillment and, in particular, for clarification of the sentence that "We are prepared to undertake order fulfillment." The answer to all these questions was affirmative.
7. Sheldon's letter of September 17, 1985, further clarified the question about

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Oxford's paying for order fulfillment and about what Oxford would estimate promotion costs to be, since they were to be paid separately. A marketing plan and promotion estimate from Karen Casey were given to George and Marsha in early October.

8. On January 17, 1986, George and Marsha sent a memo to Sheldon conveying their intention to accept the Oxford offer and proposing a timetable for concluding the agreement and transferring the business and production operation.

9. Sheldon's letter of February 6 confirmed the timetable.

10. On March 20, 1986, George and Marsha visited with Sheldon, Susan, and Barbara Wasserman concerning the transfer of the Journal to Oxford. At that time Sheldon and Ed Barry were presented with drafts of a contract between the University of Pennsylvania and Oxford University Press for the publication of the Journal. The contract had been approved the Provost of the University of Pennsylvania and drafted by University Counsel. Marsha spent the entire day at Oxford, discussing various production matters with Susan and promotion with Barbara. Susan was given an up-to-date circulation report which puts our circulation over 7000 and our income at almost a quarter of a million dollars.

This is the series of events as documented by the enclosed materials and supplemented by the descriptions of telephone conversations and meetings. We have carried out our negotiations in good faith, with openness about all of our fiscal and editorial responsibilities. We have precluded other publishing offers on the verbal and written assurance that your offer was made in equally good faith and with the professional competence, consideration, and knowledge of the all concerned. Up to this point, our collaboration with Oxford on many fronts has made us confident that that was the case. Please assure us that WE have not made a big mistake in that belief, and return the executed contract or tell us what you propose to do.

Sincerely yours,



George Gerbner
Editor

and

Marsha Siefert
Associate Editor

cc: Ed Barry
Susan Keiser
Sheldon Meyer



OXFORD UNIVERSITY PRESS

200 Madison Avenue
New York, New York 10016

April 7, 1986

Dr. George Gerbner, Dean
Ms. Marsha Siefert
The Annenberg School of Communications
University of Pennsylvania
3620 Walnut Street C5
Philadelphia, PA 19104-3858

Dear Dr. Gerbner and Ms. Siefert,

Thank you for responding to my phone call so promptly and in such clear detail. It's helpful to have your point-by-point account of events related to the Journal of Communication.

On looking through our files again, I found the root of our troubles. In a memo to Sheldon Meyer last September I suggested some elements of a publishing offer for the journal and included the following paragraph:

"Publishing procedures--On a commission basis, we would pay production, mailing and marketing costs and--unlike the situation with the Journal of the Society of Architectural Historians where all subscribers are society members--we would collect all subscription and other income. Then accounts could be settled annually or semiannually."

My purpose here was simply to describe how the money transactions would be handled, not to imply that OUP would absorb the costs of production and distribution. Sheldon included the paragraph in his letter of 10 September to you and when you questioned its ambiguity later, he apparently gave you the mistaken interpretation that OUP would pay for production.

All of us, and Sheldon in particular, are distressed by this situation. You have indeed carried out negotiations over the Journal with openness about fiscal and editorial matters, and needless to say we value our connection with The Annenberg School. It's in the nature of journal negotiations, however, that contracts are drafted and redrafted before being signed. What Sheldon sent you in September

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April 7, 1986

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was a letter outlining "an initial proposal." What usually follows in similar circumstances is a series of discussions leading to the drafting of a contract by the publisher, rewriting by the sponsoring agency, and then acceptance or minor revision by the publisher. Had we gone through this process with the Journal of Communication, the misunderstanding over payment of production costs would have been cleared up quickly. It never would have passed the review that a draft contract is given at OUP.

In terms of our responsibility for misleading you, the point I made over the phone about the obviousness of the error bears repeating. A 20% commission on projected income of \$185,000 yields \$37,000, which doesn't begin to cover production and distribution costs of \$70,000, not to mention our overheads. Before making any serious or irreversible plans based on a proposal as suspicious as that, it would seem prudent to have the financial aspects spelled out in clear written detail.

I am not trying to shirk responsibility. We made an egregious error that should have been caught earlier but was not because our procedures for dealing with journals are new and not yet routine.

Regardless of where the blame rests, we cannot possibly accept the responsibility of paying for production and mailing costs with a 20% commission on journal income as our sole remuneration. The reason I suggested a commission arrangement in the first place is that it is more generous to the sponsoring agency than royalty payment by the publisher or profit-sharing. With a well-established journal like yours, it seems the most equitable way for a publisher to offer its services (and make a small profit) without encroaching on what has already been accomplished by those who founded and developed the journal. I continue to think that a 20% commission would be fair payment for the services OUP will provide the Journal Of Communication: order processing, renewals, customer service, back issue storage and sales, accounting, production management and redesign of the journal if desired. But if you wish to consider a different sort of arrangement at this late stage, I will be glad to discuss the possibilities with you.

Sincerely,



Jeffrey W. House
Vice President & Executive Editor
Science & Medicine

JWH/mjs

cc: Ed Barry
Sheldon Meyer
Susan Keiser

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April 11, 1986

Jeffrey W. House
Vice President & Executive Editor
Science and Medicine
Oxford University Press
200 Madison Avenue
New York, NY 10016

Dear Mr. House:

We have read your letter detailing the history of your offer to publish the JOURNAL OF COMMUNICATION. Having discussed what we believe to be the contents of that letter, we suggest the following arrangement which we believe adheres to the original intention on both sides.

We propose that Oxford provide the services of order fulfillment, production, and promotion for a 40 percent commission. According to our new projections of income (enclosed) based on the latest circulation figures, this provides about \$80,000 to Oxford. Since you are able to obtain economies of scale in many areas that we cannot, it would seem that you could reduce substantially our promotion costs and our printing bills from the figure you cite as well as covering order fulfillment, since it only applies to 2/3 of the subscription base (the rest is handled by ICA). Frankly, given that we have been negotiating for about a year and have had your offer in hand for over six months, we feel that we should not bear the entire burden of your "egregious error" and think that this arrangement would work to our mutual advantage.

We also believe that this commission arrangement would represent an investment by Oxford that could be made more profitable in several ways. First, as you know, the agreement with ICA is up for renegotiation beginning this next fiscal year. Obviously, they should be paying more than \$17,000 for 2400 subscriptions. Second, the subscription price is negotiable. Third, in addition to obvious production costs reductions, a redesign might also save money.

Time is of the utmost importance now. Our negotiations must come to a conclusion. If this offer is agreeable to you, please make

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the necessary revisions in the contract and return it to us fully executed. If you have any questions or wish to discuss it further, please call us. If necessary we would be prepared to meet with you on Thursday morning, April 17, at 10:30, to come to a conclusion at that time.

Sincerely yours,

George Gerbner
Editor

and

Marsha Siefert
Associate Editor

cc: Ed Barry
Sheldon Meyer
Susan Keiser

Projected Budget, 1986-1987
Journal of Communication
April 10, 1986

Circulation (app.) (as of Feb. 18, 1986)		
Institutions	2800	
Individuals	1800	
ICA	<u>2400</u>	
	7000	
Subscription Price	\$25	(Ind.)
(changes Jan.1, 1986)	\$40	(Inst.)

INCOME

Subscriptions	\$ 157,000
ICA (a)	17,000
Single Copies	10,000
Offprints	1,500
Advertising	4,000
List Rentals	2,000
Permission Fees	<u>1,500</u>
	\$193,000

a - Amount determined by agreement with the International Communication Association