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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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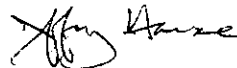
was a letter outlining "an initial proposal." What usually follows in similar circumstances is a series of discussions leading to the drafting of a contract by the publisher, rewriting by the sponsoring agency, and then acceptance or minor revision by the publisher. Had we gone through this process with 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