

January 1995

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### Recommended Citation

Blais, Gabrielle, "Pricing" the Corporate Memory: User Fees and Revenue Generation in a Public Archives," *Provenance, Journal of the Society of Georgia Archivists* 13 no. 1 (1995) .

Available at: <https://digitalcommons.kennesaw.edu/provenance/vol13/iss1/4>

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## **"Pricing" the Corporate Memory: User Fees and Revenue Generation in a Public Archives**

**Gabrielle Blais**

In their current bestseller, *Reinventing Government*, David Osborne and Ted Gaebler have attempted to provide a "map" of entrepreneurial government by suggesting new ways of delivering public services. One of their basic principles, entitled "Enterprising Government: Earning Rather Than Spending," argues that a profit oriented mentality can translate into more efficient and client-driven services. They provide several examples of successful government competition with the private sector, development deals, and the introduction of user fees.<sup>1</sup> Not surprisingly, their arguments are similar to those presented in recent years by archivists when they debate funding issues. This author wonders how far we have come from the "quiet, pleasant

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<sup>1</sup> David Osborne and Ted Gaebler, *Reinventing Government* (Reading, MA: Addison-Wesley Publishing Company, Inc. 1992).

and powerless" individuals that the 1985 SAA Task Force on Archives and Society described; the "resourceful ferrets" that a Canadian government official once referred to; and the persons of "impotent virtue" caricatured by David Gracy in a number of his writings.<sup>2</sup>

It is generally accepted in our profession that archives exist for the common good and for that reason should be as accessible as possible. This is even more important in the case of public archives, since, in addition to enabling efficient decision making, they are expected to foster a collective sense of identity. Selective access practices, as in the former Soviet Union for instance, can only lead to a warped sense of reality and collective amnesia.<sup>3</sup> Given this

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<sup>2</sup> Society of American Archivists, Task Force on Archives and Society, "Archivists' Resource Allocators: The Next Step," unpublished report (9 December 1985): 4. Don Page of the Canadian Department of External Affairs referred to archivists as "resourceful ferrets" as a post-ICA symposium presentation in Ottawa, Canada, in October 1989. See also David Gracy, "Is There a Future in the Use of Archives?," *Archivaria* 24 (Summer 1987): 3-9; "What's Your Totem? Archival Images in the Public Mind," *Midwest Archivist* 10 (1985): 17-13; and "Archives to Archives and Dust to Dust," *Provenance* 4 (Spring 1986): 1-9.

<sup>3</sup> Patricia Kennedy Grimsted has written extensively on this topic. See, for instance, "Intellectual Access and Descriptive Standards for Post-Soviet Archives: What Is to be Done?," International Research & Exchanges Board (IREX), preliminary preprint version, 1992; "Perestroika in  
(continued...)

principle then, how can user fees be introduced in public archives? This paper examines these issues, with special emphasis on audio-visual records, against the Canadian backdrop. Recent initiatives at the National Archives of Canada relating to the implementation of user fees and the development of revenue generation projects will illustrate the challenges and opportunities that such ventures present.

Some years ago, archivists would have vehemently rejected the notion of user fees, as they were viewed as an infringement on rights of access and the democratization of archives. In the aftermath of *Roots* and Watergate, the priority was to eliminate barriers to access and to encourage popular interest in people's documentary heritage. Current economic realities, however, have forced archives to reconsider this position. Many of them are now faced with a serious resource crisis; others have witnessed crippling increases in requests for services; and all are faced with skyrocketing costs when they attempt to make non-paper records available.

User fees serve two purposes: principally, they provide financial support to institutions, and, in some instances, ensure that the provision of greater public access is not done at the detriment of other archival functions. Osborne and Gaebler have argued that, given the option between raising taxes or generating revenue, the public will prefer that fees be charged to those who actually use public

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<sup>3</sup>(...continued)

the Archives?: Further Efforts at Soviet Archival Reform," *American Archivist* 54 (Winter 1991): 70-95.

services. They even quote from a United States official who stated that "All of our public-opinion polls indicate that when you confront citizens with their preference for raising revenue - user fees, property tax, local sales tax, local income tax—user fees win hands down."<sup>4</sup> Secondly, the costing of services may serve as a moderating factor, ensuring that there is an actual need for the services requested.

A distinction must be made between user fees and simple revenue generation. The Canadian government has defined user fees as "the recovery of a fair share of the cost of providing goods and services from those who receive a direct benefit from them."<sup>5</sup> Revenue generation, on the other hand, refers to "new activities which could be undertaken... with the intention of generating revenue. ... [In the case of archives] these activities are not undertaken strictly because of their archival nature."<sup>6</sup> (This is the National Archives of Canada's interpretation of the concept.) The sale of copies of records, for instance, would constitute

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<sup>4</sup> Osborne and Gaebler, *Reinventing Government*, 203.

<sup>5</sup> Treasury Board Secretariat and the Office of the Comptroller General of Canada, *Guide to User Fees* (Ottawa: Minister of Supply and Services Canada, 1992): 1.

<sup>6</sup> Wanda Noël, "Legal and Ethical Issues Relating to Revenue Generation," (Ottawa: National Archives of Canada, 29 May 1992): 1.

user fees; the sale of illustrated Christmas cards would fall under the rubric of revenue generation.

The National Archives of Canada, as part of a Canadian government-wide initiative, is currently determining what special benefits are given to researchers and how these benefits should be charged. It recently adopted its own user fee policy, which "regards the functions of acquiring, describing, organizing and conserving this national resource as a public good, as a benefit to the Government of Canada and to society as a whole, and thus takes the position that the costs of these activities will be covered from the general tax base ... Those external users who use the special services and products of the National Archives receive specific benefits that are not received by others ... The National Archives will set charges for such services at an appropriate level, commensurate with departmental objectives, government policy and the ability of users to pay."<sup>7</sup>

This policy intends to respect existing access rights. This is not easy to achieve, however, as often the implementation of fees jeopardizes such rights. It is consequently important for public archives to ensure that above all, archival information is available and accessible to

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<sup>7</sup> National Archives of Canada, "User Fees Implementation Plan," (Draft, March 1993), 24.

all.<sup>8</sup> Users should be able to walk into a public archives and consult non-restricted holdings. If those holding require manipulation before they can be consulted, such as census records in electronic form, it is the responsibility of the archives to make that information available. Public archives must support the information needs of their citizens, whatever medium the information resides upon. This principle poses enormous challenges for archivists responsible for non-paper records who, in addition to having to overcome the costs of making information available, face increasing and divergent interest in their records. Nonetheless, inadequacies in the area of description and access must not be used as an excuse for penalizing users.

The initial study into user fees at the National Archives of Canada unearthed interesting avenues. At the start, all their "lines of business" were identified; from those 102, it was discovered that seventy-eight were being offered to external users without fees.<sup>9</sup> From this list, thirty-three services were judged to be "suited for user fee consideration." The criteria for determining if user fees would be assigned to a particular service were: (1) public good

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<sup>8</sup> Archives may wish to use the "ALA-SAA Joint Statement on Access to Original Materials in Libraries, Archives and Manuscript Repositories," as a guide. This was published in *Archival Outlook*, Society of American Archivists (July 1993): 15.

<sup>9</sup> National Archives of Canada, "User Fees Implementation Plan," 7.

versus special benefit; (2) demand; (3) value to users; (4) impact of fee on users; (5) importance of activity to NA mandate; (6) user profiles; (7) and administrative feasibility.<sup>10</sup>

Many unusual proposals were made in the survey. It was suggested, for instance, that audiovisual materials be marketed more aggressively as a source of revenue, and that fees be set for the on-demand provision of captions for photographic reproductions of holdings and copyright verification. In the coming year, reference services will also be examined within the context of the current *Access to Information and Privacy* regulations.<sup>11</sup> On the revenue generation side, the Archives will examine the marketing potential of their specialized conservation copying expertise. The sale of its specialized conservation expertise, such as photograph conservation workshops and presentations about imaging, will also be considered.

Numerous social and economic factors have to be taken into consideration before decisions concerning user fees are made. These usually transcend the more obvious request-response scenario that we associate with user fees. In Canada, for instance, public archives must consider the

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<sup>10</sup> *Ibid.*

<sup>11</sup> Charging for reference service already occurs in some repositories. Simon Fowler provides examples of British Record Offices that charge for access to searchrooms in "The Root of All Evil: Income Generation by the PRO and Local Authority Archives Services," *Journal of the Society of Archivists* 14:2 (Autumn 1993): 144.



interventionist role that the government has historically played in the development of the country. Numerous federal institutions such as the Canadian Broadcasting Corporation and the National Film Board have mandates to play key roles in enhancing the concept of nationhood. The National Archives of Canada's vision statement reflects this philosophy, as it aims to "make the documentary memory of the nation available to all Canadians for their use, well-being and enjoyment." In supporting the achievement of this mission, certain circumstances will have to be taken into consideration. For instance, if the Archives were to pass on to researchers the true costs of providing access to their audio-visual holdings, some small production houses would immediately be put into bankruptcy. This would not be beneficial to Canadians as it would force the disappearance of a vibrant research community. Nonetheless, the National Archives cannot maintain past levels of service for both research and commercial clientèles.

Given their own geographical imperatives, the Archives has to be cautious not to overly impede off-site access. If it were to fully recover costs for the inter-institutional loan of microform, for instance, it would immediately reduce access opportunities for researchers who live some distance away from the institution. While fees may have to be introduced, given the current resource climate, these will be reasonable. As for the production of copies for commercial ventures, such as a picture book, the Archives will have to decide if its objectives are better served by having this information widely disseminated or by requesting a sizable access fee. Finally, a review was undertaken of how some archives are

trying to develop categories - with varying fee schedules - of researchers. In the National Archives of Canada's case, this may mean differentiating between actual sponsors (taxpayers) and other clients (mostly foreign researchers). It is difficult to determine the extent to which this can be implemented. When this issue was examined a few years ago as a result of an influx of genealogical inquiries, and when it was learned that close to fifty percent of these inquiries originated from outside Canada, it became so difficult to define the concept of citizenship (is it restricted to someone who lives in the country or are Canadians living abroad included?) that the institution postponed the initiative.

Existing situations also have to be brought in line with the new user fee environment. In the case of the Canadian government, all fees generated by an agency are currently deposited into a general consolidated fund. In this context, even if the National Archives established a cost recovery policy for its services, it would not have access to those funds, even though it would still have to absorb the costs associated with the delivery of the services. This situation led the National Archives some years ago to transfer selected services to the private sector. For instance, when clients request copies of film, they are directed to private firms that have copying agreements with the Archives. The Archives produces a copy of the document, forwards it to the firm, which then serves the client at a profit. The Archives still has to pay for the production of first copies, but it does not have to absorb the costs in labour and supplies associated with the production of client copies.

Similar arrangements exist for the reproduction of microfilm reels, photographs, and photocopies. The Archives has not decided to bring these services back in-house, as it has yet to obtain the assurances that it will be able to adequately fund them from its public service income.

Intrinsic to all of this is the concept of service standards. Users must clearly know what is available at no cost and what has an "added-on" price. In such standards, the relationship of the client to the provider of the service must be clearly spelled out and there must be an explanation of what are reasonable expectations. User fees also imply service, speed, convenience, and accuracy, concepts that are often foreign to archives. It should also be understood that before introducing fees for a service that was previously free, users must be advised and, if possible, consulted as to the fee structure.

Another important factor is that of physical ownership and copyright. In the case of Canadian government information, ownership ends with the transfer to the Archives. The copyright for the whole of the Government of Canada, however, is held by its Government Services - the equivalent of the General Services Administration in the United States. In the audio-visual sector, where there often is not one but many original documents, it is often hard to investigate and enforce ownership and copyright, as there may be more than one custodian of the record. Situations also exist where records contain both public and private information. At the National Archives of Canada, where it is estimated that only approximately three percent of the

collection has cleared copyright, these considerations weigh heavily in the decision-making process.

Once these questions have been resolved, the actual user fee strategy may be devised. In principle, such a strategy should not include a profit factor but aim to recover the costs associated with providing the service. This would not include normal processing and conservation costs, as these should have already been funded in the initial budget. Users should not be responsible for filling the gaps in the normal resource allocation process. If the purpose of the exercise is to moderate use, the fees will be inferior to the services provided, as their purpose will be to deter unessential use rather than recover costs. The services for which there will be fees also have to be assessed. It would be futile to develop a financial infrastructure for services that will never be purchased. A public institution is not structured to absorb the costs associated with the introduction of services that may not be profitable. And, as we all know, in government, once you embark on a project it is almost impossible to turn back.

In the case of the National Archives of Canada, the frustration at being used as an inexpensive stock photo agency has led to suggestions that competitive access and user fees be adopted. If the institution decides to do so, it will have to clearly distinguish between educational and personal requests, and commercial ones. Such an approach would enable it to continue supporting the first uses while providing reasonable access to the latter. Nonetheless, we must remember that since archives are not stock photo agencies, they cannot charge the same rates.

After all, such agencies provide more than an image; they also provide a fast retrieval service which few archives can match.

At this point it should be obvious that where audio-visual records are concerned, issues of user fees and revenue generation are both extensive and complicated. In the first place, conservation and copying work often has to be performed before consultation even occurs. This adds a cost dimension to the concept of the universal right of access. Decisions must also be made about who, if anyone, should pay for this work. Some public archives place this burden on the back of the first user of a record. Is this fair? In time, will this result in a decrease in demand for new records as users will only request the material already conserved and copied? Also, does this penalize those researchers who have to conduct in-depth (and consequently time consuming) research? Finally, the equipment required to service collections is specialized (thus expensive) and transitory, as new formats are introduced and the technology is rapidly transformed. As a consequence, archives are forced to re-format information, upgrade technology, and even maintain museums of audio-visual artifactual equipment. Should these costs be passed on to users?

For those records with high financial value, institutions may wish to maintain control over their circulation and use. The extent to which this can be done from both the legal and practical points of view is unclear. Some form of control may be exercised over records that have not yet cleared copyright but it is impossible to devise a system for

those documents that are in the public domain. On occasion, this situation can be frustrating for archives. For instance, in recent years the number of stock photo agencies which sell information obtained from archival collections has mushroomed. The National Archives of Canada discovered a few years ago that several of these companies were selling some of the National Archives' most popular holdings at a price greater than the Archives was charging for the same image. Officials of the National Archives were unable to stop the companies from doing this, as most of the holdings were in the public domain. They were not even able to convince them to credit the Archives, instead the documents were credited to the companies. There are few ways of restricting such practices. Archives could always control circulation of copies of holdings to ensure that user fees are paid whenever records are consulted. This could mean operating an extensive system of inter-library loan and forfeiting on the sale of copies of holdings. It is more probable, however, that this issue can be resolved by implementing a fee structure that is linked to the quality of the product.

There is still another dimension to the costing of services. Archives may decide to produce consumer goods on their own or in partnership with other parties.<sup>12</sup> The gift

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<sup>12</sup> Most issues discussed in this section were inspired by Wanda Noël's work for the National Archives of Canada, entitled *Legal and Ethical Issues Relating to Revenue Generation*.

shop at the National Archives and Records Administration in Washington, DC, for instance, sells a variety of products inspired or copied from their collections. The Minnesota Historical Society's *Complete List of Publications in Print* includes, in addition to reference tools, art and map reproductions, native dictionaries, a coloring book, and audio recordings. Where else can you obtain selections of Minnesota polkas? These products serve as awareness tools to heighten public knowledge and appreciation of the work and holdings of an institution; they can also be good sources of revenue which can be redirected to activities requiring additional funding.<sup>13</sup>

For most institutions, it is advisable that commercial ventures be undertaken in cooperation with more knowledgeable parties. The archives can enable use and interpretation of their holdings. The partner, on the other hand, can assume responsibility for the production and marketing of the product. If archives were to decide to copy old films onto video, for instance, they should expect to participate in the development of the series concept and the selection of the material. The partner could then be responsible for the mass reproduction, packaging, marketing, and distribution of the product. A similar

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<sup>13</sup> The museum community has been very active in the development of marketing strategies. See, for example, "Productive Licensing: Boosting Revenues and Prestige," *Museum Store* 20, (Winter 1992): 25-30; and "The Education Connection: Are We Fooling Ourselves," *History News* (September-October 1992): 6-23.

arrangement could be made with the creation of an interactive visual product. This approach is most likely to succeed when it does not require that archival institutions develop a new expertise in what is a highly competitive sector.

While there is more room for maneuvering within this framework, some ethical questions still remain. To what extent, for instance, should public repositories compete with the private sector? Would it be admissible for an institution to segregate its most valuable material for its own marketing uses? Also, given the availability of material, should archives undercut their competition? In choosing a funding strategy, archives must weigh these factors and be careful not to place themselves in a situation where the private sector could question its marketing practices.

Finally, archivists must consider their obligations to donors. In the case of copyright, donors are usually agreeable to uses made of the information by the archives (such as in an exhibition) as long as no money is made from the activity. But as soon as the concept of revenue generation is introduced, the negotiations take another turn. Great care must also be given to the selection of products so that donors are not offended. It would not be considered appropriate, for instance, for Indian treaties, which have great spiritual significance to the Canadian native population, to be copied and sold as placemats. Indeed, we suspect that there would be widespread opposition to any attempt at the commercialization of such symbolic documents. Yet, these are the documents that have wide popular appeal. While it may be appealing to



some to operate archives on a free market system, they cannot avoid considering such ethical questions. The museum community should be able to provide much guidance to those institutions who wish to develop revenue generation plans. For a number of years, these issues have been debated within that community and great strides have been made in the development and production of quality museum products that, in addition to raising money to support the parent institutions, increase their visibility and enhance popular knowledge of their collections.

In conclusion, one may ask how user fees and revenue generation initiatives will ultimately affect basic archival access principles and archives' relationships with their user communities. For archivists who were active during the years when efforts to democratize and demystify culture were prominent, the introduction of money-making strategies could be considered treasonous. For them and others who may view these developments with concern, the following opinion about marketing, which appeared in an issue of *Rotunda*, the magazine of the Royal Ontario Museum, may help set aside certain fears: "...like any well run business in the modern world, there is no harm in being market oriented while value driven. [moreover]... a value driven, market oriented approach is one that is common in our society, even in the commercial world, and ... government and most of the public would applaud and support our efforts not to sacrifice our values in our search

for markets."<sup>14</sup> Such a policy is much more inherent to the nature of governance than the free market strategies promoted by Osborne and Gaebler and echoed by some archivists.

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<sup>14</sup> Cuyler T. Young, Jr., "Value Driven, Market Oriented," *Rotunda* (Summer 1986): 6.

