

Date of Hearing & Bill Number: March 11, 2026 | HF 3698

To: Members of the Education Policy Committee

From: Shelley H. Husband, EVP, Government Affairs

Affiliation: Association of American Publishers

City of Employment: Washington, DC

Position: Oppose

The Association of American Publishers (AAP) is the national trade association for book, journal, and education publishers in the United States, including large, small, and specialized publishing houses from across the country. We respectfully submit this testimony in opposition to HF 3698 because this legislation would significantly harm readers in Minnesota, undermine the rights of authors and publishers, and threaten the viability of independent bookstores.

Publishers have served public libraries and their communities very well in the digital age—to the point that today more patrons than ever before can access for free, at the push of a button, a record number of award winning and best-selling literary works that they might otherwise have purchased from booksellers.

Last year, readers borrowed more than *820 million* ebooks, audiobooks, and other digital content – an increase of nearly 11% over the previous year – and library check-outs continue to increase even while commercial revenue for ebooks declines each year. These “digital check outs” are made possible because publishers have long offered discounted access to public libraries, for them to make digital formats available to their patrons under controlled terms, as a supplement to physical books, which by far remain the most popular format.

While we recognize that many libraries are looking for ways to efficiently and cost effectively serve their patrons, collections spending and spending on electronic materials in particular, represents a small portion of overall library budgets. Moreover, libraries enjoy special multi-user licenses from publishers that permit them to do things that readers in the consumer markets may not do. Libraries make ebooks available over and over again to their patrons, at an aggregate cost that is far less than the per-reader rates in the consumer market.

The U.S. Copyright Act governs the distribution of literary works in all formats, including the licensing of ebooks and audiobooks to public libraries. The Copyright Act is the basis of invaluable creativity and innovation in the marketplace. The basic bargain of the Copyright Act is economic. It serves the public by encouraging and incentivizing authorship and publication, including through modern delivery models. Efforts to regulate the terms under which authors and publishers may exercise their exclusive, federally

protected rights are unconstitutional and threaten the entire creative economy that is so critical to the state of Minnesota and the Nation.

The ultimate irony and shame of this misguided legislation is that it would likely impede – rather than expand – access to digital library materials in Minnesota. This legislation will likely have the opposite effect that lawmakers desire: when publishers aren't able to bend to the restrictive and extreme demands dictated by this legislation, libraries may lose access to new releases, experience higher costs, or be prohibited by the state from licensing ebooks and audiobooks altogether.

While they are not required to do so, publishers currently license new release ebooks and audiobooks to libraries on the first day of a book's release. However, this legislation may make it impossible to do so while also protecting the viability of independent bookstores in the city. As a result, it is possible that Minnesota libraries may have less early access to new titles in digital formats.

As a result of this legislation, authors may be prevented from getting their books in Minnesota libraries. Further, library patrons will likely lose access to some ebooks and audiobooks and be redirected to purchasing books they wish to read. In short, this legislation will, in the end, harm both authors and Minnesota's readers who are library patrons.

Especially now – in the face of increasing threats to the freedom to read, disruption from artificial intelligence, and the widespread theft of copyrighted digital books by AI companies – the livelihoods of bookstores, authors, and other creators are especially fragile. Any legislative effort to intervene in commercial markets and disrupt the balance between art and commerce that has been so carefully struck would result in harm to authors, creators, and bookstores that is unsustainable for library lending in Minnesota. Therefore, we must strongly oppose this legislation and respectfully urge the committee to reject HF 3698.

We appreciate the opportunity to present these views to the House Education Policy Committee.