

# AITKEN ALEXANDER ASSOCIATES

LLC

ANNA STEIN

80 FIFTH AVENUE SUITE 1101 NEW YORK, NY 10011

TELEPHONE: 212.929.4100

ANNA@AITKENALEXANDER.COM

WWW.AITKENALEXANDER.COM

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LITIGATION III, ANTITRUST DIV.  
U.S. DEPT. OF JUSTICE

John Read  
Chief Litigation III Section  
Antitrust Division  
US Department of Justice 450 5th Street, NW Suite 4000  
Washington, DC, 20530

April 25<sup>th</sup>, 2012

Dear John Read,

I feel moved to write to you as my colleagues and I have been dismayed by the recent DOJ decision concerning the future of the publishing industry. As literary agents, we have a vested interest in the healthy competition that has allowed book publishing to flourish for years. We are deeply concerned that the DOJ is on the brink of allowing—and it seems even encouraging—Amazon to become a full-fledged monopoly.

Discussion of the "agency model" has been around for years, and such discussion has happened over lunches and dinners for just as long. Publishers, agents, booksellers, and authors have long recognized that we are dependent one upon the other to deliver the best books possible for as low a price as possible.

Publishing is a delicate ecosystem, and our margins are small; as such we have recognized that we must cooperate with one another in order to reach our readers, and in order to keep them. The recent move by some publishers to the agency model was a reflection of public sentiment and necessity, not an instrument of collusion. When Amazon introduced its Kindle, it began to (and still does) sell electronic books at a loss, betting on their ability to corner the electronic book market. This gave consumers the false impression that these prices were "natural," but it also forced publishers into an untenable position.

The obvious solution, to anyone and everyone in this industry, was to find our way back to a variegated market that would reflect the actual value of books. The decision to try out the agency model gave us hope for healthy competition and fostered an exponential growth in the e-book industry, opening space for alternative e-book platforms and retailers.

It is no surprise that Amazon has now resumed its predatory pricing. And it should be no surprise, if this is allowed to continue, that there will be long-term and detrimental effects for publishers and booksellers, and thereby for authors and readers of books.

If Amazon is allowed to continue selling electronic books at a loss in order to promote its Kindle, potential competitors—traditional bookstores and publishers who cannot function without profit from books—will be effectively barred from any real stake in the e-book industry. Such deep discounting will forbid competitors from surviving in or entering the market, while eroding the value of e-books in consumer consciousness. And unless these charges are dismissed, we won't have an alleged, rhetorical monopoly on our hands; we'll have a real monopoly, an industry controlled entirely for and by Amazon.

Sincerely,

Anna Stein

