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

May 21, 2012

John R. Read, Chief
Litigation III Section
United States Department of Justice
450 Fifth Street NW, Suite 4000
Washington DC 20530

RE: Publisher Price Fixing Lawsuit

Please accept this letter on behalf of authors and readers who do NOT oppose the proposed settlement terms reached with three of the publishers under investigation for price fixing.

I'm not part of a major media conglomerate, unlike some of the publishers named in the suit, and I do not own newspapers and television stations around the globe. I represent a three-person operation publishing our own work and providing services (on a work-for-hire, fee-only basis) to other authors who wish to publish their own work. I also teach other writers how to reach their readers directly.

I'm only one among thousands of writers who have turned down outrageous contract terms offered by media-conglomerate-owned publishers because they were written to grab any and all rights and allow those publishers to generate the maximum profit on my work while offering me less-than-adequate compensation.

Protests to this settlement are being written by middlemen – literary agents, publishers, distributors – who are desperately attempting to keep their failing business models based on a monopoly of content they don't produce afloat at the expense of both authors and readers.

In the new world of publishing, without those middlemen, independent authors offer readers more books to choose from and they can price those books much lower. Large publishing conglomerates are losing control over what consumers can purchase and read and the ability to exploit authors.

This situation is hardly unique to publishing. The internet has been a game changer, making all

kinds of once indispensable intermediaries optional. This has given consumers more choices and pricing options. Of course, those benefitting from disappearing business models are fighting desperately to hang onto their monopoly over products and services which negatively impacts both consumers and producers.

Although he writes to the DOJ as president of the Authors Guild, Scott Throw is a best-selling author benefitting from the current paradigm. Gail Hochman writes as president of the Association of Authors' Representatives, but she's a literary agent who will become irrelevant in the new world of publishing. These are just two examples of individuals using their positions to advocate for maintaining the status quo. Although they erroneously claim to represent the interests of writers and readers, in reality they speak out in support of the agency model because they fear change and competition. The only beneficiaries of the status quo is their (and the publishers') bank balances.

Publishers, not content with record profits resulting from their collaboration with literary agents to exploit authors, are trying to impose higher prices on retailers, forcing readers to pay more for books. "Standard" contracts now contain restraint of trade clauses. They are amending contracts without permission of the authors who signed them. And publishers routinely are using questionable accounting practices to hide e-book income and avoid paying royalties.

I respectfully request that the DOJ make sure that global media conglomerates, which own controlling interest in some of the defending publishers, are not allowed to drown out the independent authors and readers who would benefit if the proposed settlement moves forward. I also hope that the DOJ is aware that the only reason the publishers are willing to settle is to avoid closer scrutiny of questionable accounting practices.

Sincerely,


F.I. Goldhaber
Book Designer / Project Manager