

From: Sarah Holt [mailto:sarah[REDACTED]]
Sent: Tuesday, June 12, 2012 12:41 PM
To: Read, John
Subject: Ebook Agency Model

To Whom It May Concern,

I am writing regarding the attempt by the Department of Justice to force book publishers to abandon the agency model of ebook pricing in favor of a wholesale pricing model. If this attempt is successful, it would have a disastrous affect on publishers, booksellers, authors and readers. The only benefit would be to the massive online-only retailers (Amazon in particular) who need no help staying afloat. The agency model would mean they would no longer be able to deeply discount ebooks as a loss-leader. On the surface, these discounts look as though they benefit the consumer, but in reality they will result in a loss of competition and options for those consumers.

Under the wholesale pricing model, publishers and authors will have no control over the price of their ebooks. When this is combined with automatic price-matching technology employed by Amazon, there is an incentive to make ebooks available through as few channels as possible for fear of starting a discounting war that cuts your titles' prices beyond sustainability. Due to its prominence in the marketplace and the popularity of its proprietary ereader, Amazon will be the automatic winner in this race, leaving Barnes and Noble, Sony, Apple and independent bookstores with yet another area of the market they are completely unable to reach.

Under the wholesale model, the only companies who benefit are those with pockets deep enough to be able to make little to no profit on ebooks sales. Amazon has proven that they are willing to do this. Since the agency model went into affect, competition in the ebook market increased, authors saw increased royalties from their work and the market share for non-Amazon ebook retailers increased. If it is reversed, we will immediately see a round of drastic price cuts from Amazon, a decrease in listings with retailers who are unable to offer "competitive" pricing, a decrease in profits for publishers and authors and finally an affective monopoly held by Amazon in the ebook market.

Please reconsider the goals of this lawsuit. While the immediate effect of lowering ebook prices on Amazon may look like it's in the consumers best interest, the resulting destruction of their competition in the field of ebooks will ultimately lead to less options, less freedom and less control for everyone else, readers included.

Thank you for your time.

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Sarah Holt

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