From: Jessica Papin [mailto:jpap[REDACTED]

**Sent**: Sunday, June 24, 2012 12:16 AM **To**: Read, John [John.Read@ATR.USDOJ.gov]

Cc: Jessica Papin

Subject: United States v. Apple, Inc., et al., 12-cv-2826 (DLC) (SDNY)

John R. Read, Esq. Chief, Litigation III Antitrust Division, United States Department of Justice 450 5th Street, NW, Suite 4000 Washington, D.C. 20530

Dear John R. Read,

I am writing to you out of a profound concern that the suit brought against Apple, Penguin and Macmillan (United States v. Apple, Inc., et al., 12-cv-2826 (DLC) (SDNY)) will, despite the stated aims of the case, further erode competition in a space where one corporation already wields too much power.

I am a literary agent with Dystel and Goderich in New York, prior to this I was an editor with what was then Warner Books and the subsidiary rights director for the American University in Cairo Press. In the seventeen years that I have worked in the book industry it has undergone profound changes, but none so dramatic (or exciting) as those brought about by the advent of the e-book. There is no doubt that the portability and affordability of e-books are a boon to their readers, but the relatively modest cost of their production and distribution does not capture the full picture. Books, whether printed on paper or with electronic ink, are long in the making. They are also selected, underwritten, edited and published with a degree of care and specificity that resists easy valuation.

I realize that the Department of Justice has no obligation to protect the welfare of individual companies against which the suit has been brought, and that this legal action has been taken in the interests of the consumer, who, presumably, always benefits from lower priced e-books. And yet the message that "cheaper is always better" is simply not true. The effort to reverse the "agency model" is short-sighted, and any victory won on behalf of consumers is ultimately Pyrrhic. E-books will be less expensive in the short run, but then what? Amazon's ability to take a loss on the sale of books in general and e-books in particular is simply impossible for other booksellers to compete with. Amazon's pricing strategies devalue the e-book, undermine the value of the hardcover, and make it ever more difficult for an industry balanced on thin margins to survive. It does not take much to push a bookstore under, and far too many are closing.

Much as Amazon has done to foster book culture—I do not believe that Amazon needs to be vilified— they cannot be allowed, much less *assisted* by the US government, in pursuing a predatory strategy designed to drive competitors out of business. I do not think that brick and mortar bookstores should, as one digital commentator smugly predicted, go the way of typewriter repair shops. Or music stores. Nor am I convinced that Amazon, once they dominate the market, will feel compelled to offer low prices. Monopolies seldom have the interests of consumers in mind.

Like many of my colleagues in the book industry, I respectfully urge you to consider the unintended consequences of pursuing a lawsuit against Apple, Penguin and Macmillan. Their decision to adopt agency pricing seems less an example of collusion than an effort to foster more equitable competition.

Sincerely,

Jessica Papin

Jessica Papin
Dystel and Goderich Literary Management
One Union Square West, Suite 904
New York, NY 10003
Jpap[REDACTED]
212 627-9100 (11)
www.dystel.com

From: Jane Dystel

**Sent:** Thursday, June 21, 2012 5:09 PM

To: Jessica Papin Subject: RE: DOJ letter

You're right – that isn't the point J

jane

From: Jessica Papin

**Sent:** Thursday, June 21, 2012 4:57 PM

To: Jane Dystel

**Subject:** Re: DOJ letter

Will do. I've been working on it, though fear I've nothing new to say. Happily, that's not

the point!

Sent from my Verizon Wireless BlackBerry

From: Jane Dystel < ja [REDACTED]

Date: Thu, 21 Jun 2012 16:06:50 -0400

To: Jessica Papin < jpap [REDACTED]

Subject: DOJ letter

Hey Jessica,

Just a reminder that the deadline is Monday. Hope you will copy me when you send yours in.

Jane

\_\_\_\_\_

Jane Dystel
Dystel & Goderich Literary Management|
One Union Square West| Suite 904|
New York, NY 10003|
(Ph) 212-627-9100, ext. 12| (Fax) 212-627-9313