

From: Miriam Goderich [mailto:miri[REDACTED]]
Sent: Thursday, June 21, 2012 9:09 AM
To: Read, John [John.Read@ATR.USDOJ.gov]
Subject: United States v. Apple, Inc., et al., 12-cv-2826 (DLC) (SDNY). Comments on Proposed Final Judgment as to Defendants Hachette, HarperCollins and Simon & Schuster.

Dear Mr. Read:

I'm writing to state my opposition to the proposed settlement between the Justice Department and publishers regarding e-book pricing. What is being proposed is all kinds of wrong for publishing, readers and a healthy, competitive marketplace.

I've worked in the publishing business for over 20 years and in that time I've seen a lot of changes within the industry and in the larger marketplace. I've been a longtime supporter of e-books as an innovation that should be embraced rather than feared. In fact, statistics confirm that e-books, far from being bad for publishing have re-energized the business. People are buying more books, content that was once hard to come by and expensive is more readily available and affordable, and in an unexpected twist, more physical books are being sold as well.

From an ecological point of view, e-books are as Green as it gets. If the trend continues and eventually the bulk of book sales are electronic, many fewer trees will be killed, harmful emissions caused by transporting goods will be lowered, and less space will be taken up by giant warehouses. In the meantime, my child will have access to a book whether we're in the pediatrician's office or on a plane to visit family. Win-win, right?

Well, no, because the settlement you propose will seriously cripple the publishing business that is responsible for the textbooks your and my kids use at school, the novels we read on the beach, and the classics that help us to better understand ourselves and our world. By effectively handing the keys to the kingdom to monolithic Amazon—allowing them to price books as they wish, despite the fact that books for them are loss leaders through which they entice consumers to buy everything from electronics to party supplies—while handcuffing traditional publishers whose revenues are solely based on books and who cannot possibly afford to discount on the level Amazon does, you are setting up the very thing your department is tasked with preventing: a monopoly. When no one is left standing but Amazon and we all have to go to them to purchase our content, then they will be able to flip the switch and charge whatever they want...the other way.

Before you get the idea that this is just another rant against big, bad Amazon, I will tell you that I love my Kindle Fire and that my company and I do business with Amazon every day. I believe they are doing what all healthy companies try to do in a capitalist society: make money and expand their reach as best they can. I've no argument with

that. My argument is with a settlement that will give them the ability to effectively crush their competition when they don't even need the help.

As far as the internal workings of the publishing business—a proud, small (by financial standards) industry whose importance is so out of proportion to its size because of the influence well written, expertly curated books have on our culture and even our freedoms—you will find publishers being penalized because they can't price competitively by losing their most important assets: authors. Amazon has established a publishing program which, in my view, is a direct conflict to their mission as a retailer. If they come to monopolize the industry because of their pricing, what author is going to want to be published by Random House, say, which, for its own survival, will have to sell its e-books at a price guaranteeing that they will not lose money? Authors will quickly pick up on the fact that they should go with the house that can offer the lowest price possible on e-books in order to compete with Amazon, so that they will sell as many copies of their book as possible. The resulting scenario? Publishing staffs pared back, quality compromised, and the final product no longer meeting the standards that we expect from a book that comes with a publisher's imprimatur.

Really? Is this what you consider a service to consumers? I can tell you this, Mr. Read, no one goes into publishing to get rich—although that does happen on occasion. Those of us who work in this business do so because we love books and we are the worst kinds of idealists. We think that intangibles like information, creativity, talent and ideas are worth paying for and, therefore, worth midwifing properly, not just using as a way to lure people to buy surge protectors.

I hope the Justice Department will rethink this settlement and come up with something that will be good for the public and also for an industry that is so important to our culture.

Thank you.

Miriam Goderich

Miriam Goderich

Dystel & Goderich Literary Management |
One Union Square West | Suite 904 | New York, NY 10003 |
(Ph) 212.627.9100, ext. 16 | (Fax) 212.627.9313 | www.dystel.com