

**From:** waleslit [mailto:wales[REDACTED] ]  
**Sent:** Monday, June 25, 2012 4:53 PM  
**To:** Read, John  
**Cc:** elizabeth.wal[REDACTED]  
**Subject:** RE: U.S. vs. Apple, Inc., et al., 12-cv-2826 (DLC) (SDNY)

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June 25, 2012

John R. Read, Esquire  
Chief, Litigation III  
Antitrust Division  
U.S. Department of Justice  
Washington, D.C. 20530

RE: U.S. vs. Apple, Inc., et al., 12-cv-2826 (DLC) (SDNY)

Dear John R. Read,

I have worked in the publishing industry for thirty years: as a literary agent for more than twenty years; as a bookseller both in New York City and in Seattle; and in trade sales and marketing in a large commercial publishing house and at a university press. My varied experience in the industry compels me to support the positions articulated by the Association of Authors Representatives, of which I am a member and have been for two decades, and also the position of the Authors Guild. I am sympathetic to the position of both Apple and Penguin USA as described in industry and mainstream press accounts.

I have had the opportunity to know some of the businesses you suggest colluded to introduce the agency pricing model. While I can't speak to their actions directly, I seriously doubt they would undertake a deliberate, illegal practice. It runs counter to my long experience with them. Further, the so-called agency model is not a new distribution profit-sharing scheme; it should be viewed as a way to adequately support the cost of manufacture and production.

I also hold deep concerns about Amazon. I can't express to you the almost universal fear felt by those of us who have worked in this industry for decades as Amazon takes increasingly critical control of the industry through its eBook distribution monopoly, coupled by their established tendency to avoid negotiating with other parties in good faith but to rather dictate terms and levy repercussions if unsatisfied.

I fear that without the agency model, publishers' profit margins will become too slim to continue to underwrite authors as generously as they now do, and consequently, the number of choices available to authors will be diminished and the industry will be irrevocably harmed to the detriment of the consumer, readers, and our culture.

Because I have often heard the pricing conflict framed as legacy publishers ineptly trying to hold onto the past in the face of digital publishing, I also need to stress that this is not the case. Publishing is changing with new technology but it will always need profit margins that will allow the industry to underwrite the difficult work of producing good books. My assistant, Neal Swain, is in her twenties and feels likewise: she says that while it is important that customers can find a good price, it is equally important that the people creating products for consumption be paid for their work.

It is not the future of my business I am worried about; my business will survive, at least for my lifetime. My concern is for the future of publishing and the authors that the industry serves.

Sincerely Yours,

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cc: Neal Swain