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

Dear Department of Justice,

I am writing to ask that the agency model be preserved, it is essential to help maintain diversity and competition in our industry.

As ABA made clear in a meeting with DOJ on March 19, I could not believe more strongly that the agency model has been good for small independent retailers, good for all bricks-and-mortar bookstores, good for publishing, and, most importantly, good for readers and book buyers. Since its introduction, the agency model has corrected a distortion in the market fostered by below-cost pricing, predominantly led by Amazon.com, the ultimate result of which is, we believe, to reduce or to eliminate competition among both retailers and publishers.

Since the introduction of the agency model many more independent booksellers are selling e-books, and those sales have shown steady growth. The agency model has lowered prices to indie bookstore customers, and indies themselves have seen significantly increased price competition among publishers in regard to promotions, discounts, and special offers, all of which have allowed bricks-and-mortar bookstores to offer customers a wider array of titles at a greater value.

In short, since the introduction of the agency model, the e-book market for consumers has become far more competitive — not less so!

Deeply discounted books were among the key components in the fuel stoking Amazon's engines of growth. It's frankly somewhat stunning that DOJ would accept the possible upending of an industry as important to the cultural and intellectual life of our nation as bookselling and publishing so that one retailer could pursue a policy that is nearly certain to result in monopolization of the e-book market.

Before the introduction of the agency model, Amazon had a 90 percent market share in e-books, when they were selling below cost, a price far lower than indie booksellers could purchase e-books from publishers. Today Barnes & Noble, Google, Apple, Kobo, along with indies and others have joined the market, which has become far more competitive and diverse.

If the agency model goes away for a significant period of time, there is every reason to believe that Amazon will again price below cost and increase its e-book market share. This can only be bad news for the reading public, resulting in a cultural landscape offering a far less diverse range of titles being published and a much-diminished range of publishers.

I believe that the preservation of the agency model is essential for our industry and for consumers to have a true choice in where they make their purchases.

Dandy Conway

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