GALLERY BOOKSHOP & BOOKWINKLE'S CHILDREN'S BOOKS, Inc.

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May 8, 2012

U.S. DEPT OF JUSTICE

John Read
Chief Litigation III Section
Antitrust Division
U.S. Department of Justice
450 5th Street, NW, Suite 4000
Washington, DC 20530

Mr. Read,

I'd like to submit a comment on DOJ's proposed settlement with Hachette, Simon & Schuster, and HarperCollins as announced April 11th.

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For years, I've been anticipating some action from DOJ regarding predatory pricing in the book industry and the troubling move toward consolidation and monopoly. I was profoundly disappointed when that action finally came. The settlement with the three major publishers, as well as the lawsuit against Macmillan and Penguin, will serve only to weaken competition among booksellers, nudging Amazon closer to being both a monopoly and a monopsony.

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 attempts to monopolize the entire 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. We believe 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.

Sincerely,

Christie Olson Day

Owner, Gallery Bookshop & Bookwinkle's Children's Books