May 9, 2012

Dear Mr Read,

My name is Earle Peterson, and I manage Books Inc. book store in Burlingame California. I am writing to you concerning the Department of Justice's action against 5 publishers and Apple concerning the agency model.

The DOJ action against the agency model on ebooks was critical, perhaps fatal blow, to independent book stores. Books Inc. has been able to partner with Google and offer ebooks through our website. It is impossible for a small book store, or even a large independent, to offer up ebooks without a partner such as Google. Ebooks are a growing segment of publishing, and we have a narrow handhold, even in just being able to offer an ebook to our customers. Even with that partnership in place Amazon was able to undercut the whole market by selling ebooks at a loss. The agency model was the one chance to level the playing field. Before the agency model Amazon had 90% of the ebook market, with the agency model in place their share has dropped to around 60%. This is because of competition. Barnes and Noble can develop their Nook reader, and other companies can compete because the agency model allows a market to exist. Without the agency model there is no market, there is the looming Amazon monopoly. They are a company that will buy the rights of an ebook for $10 and sell it for $8. That is not a market, yet that is what the DOJ is defending.

Independent book sellers have been very flexible and nimble over the past generation, overcoming many market ups and downs and changes in customer desires. It is crushing to see the DOJ pursue a course of action which destroys our ability to compete. Please reconsider the DOJ action against the agency model. Without that model in place Amazon will simply control the entire ebook market in a short period of time, and with it the rest of book selling and publishing.

Sincerely,

Earle Peterson
Books Inc.
1375 Burlingame Avenue
Burlingame CA 94010
Manager