

From: Tiffany Tapp Virga [mailto:dermy[REDACTED]]
Sent: Monday, June 25, 2012 11:30 AM
To: Read, John
Subject: settlement e books

June 25, 2012

John R. Read, Esq.
Chief, Litigation III
Antitrust Division, United States Department of Justice Washington, D.C.
20530

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

Dear Mr. Read,

I am sending this letter with regard to U.S. vs. Apple, Inc., et al., 12-cv-2826 (DLC) (SDNY).

In your and the court's considerations of this case, I would urge you to not to accept the Justice Department's proposed e-book settlement for the following reasons:

1. A healthy, literary marketplace and competitive book market is of vital interest to our culture in the United States of America and depends on brick-and-mortar bookstores.
2. Since only 10% of in-print books (front list and core backlist titles) have substantial sales in brick-and-mortar bookstores as well as other retailers, the online market is in all reality the primary market that matters for book sales.
3. Amazon's predatory pricing targets 1% of in-print books. These are the books that brick-and-mortar stores rely upon to survive in their communities throughout the United States. (The largest brick-and-mortar stores can only stock at most 150,000 out of an estimated 2 million books in print (approximately 0.075%) and small independent retailers, the backbone of America, can only carry a small fraction of that.
4. When not constrained by agency pricing, Amazon takes substantial losses on the sale of subsets -- the bestsellers, near bestsellers, and would-be bestsellers -- of frontlist e-books. The proposed settlement would allow Amazon to resume pricing that allowed it to capture 90% of the e-book while undermining its offline competition. Their strategy is undeniably to control the U.S. book market in their self interests by forcibly moving book sales online.
5. Economic history clearly demonstrates that monopolists tend to dictate terms to all participants in their markets.

The viability of the book market in the United States, our literary culture, and the livelihood of brick-and-mortar booksellers are not served by the proposed settlement.

With kind regards,

Tiffany Tapp Virga