

**From:** Bill Skees [mailto:waske[REDACTED] ]  
**Sent:** Monday, June 25, 2012 9:30 PM  
**To:** Read, John  
**Cc:** d[REDACTED]  
**Subject:** Stop DOJ support of unfair Amazon practices

June 25, 2012

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

Dear John Read,

I would like to take this opportunity to address the DOJ's short sighted suit against the publishing industry, specifically Macmillan, Penguin, Hachette, Simon & Schuster, HarperCollins and Apple Computer concerning the sale of e-books.

I am a small independent bookstore and relatively new to the industry. While I don't have the breadth and depth of knowledge that many of my associates in the industry have I do have a good sense of what is the difference between right and wrong, fair and unfair. If you pursue this suit you will assuredly guarantee Amazon's continued monopolistic control of the e-book industry. Amazon's model of predatory below cost pricing along with their slickly sidestepping their obligations to collect sales tax have delivered punishing body blows to the book retail and publishing industries.

The agency model is not strange to this industry. We are one of the few industries in which our merchandise's price is set by the publisher and pre-marked on every book we receive. Yes we do have the legal rights to change that price (we did after all purchase the property from our publishers). However few bookstores would remain in business by attempting to charge more than the marked price. Fewer bookstores would remain in business by consistently charging less than the cost of the product. We don't have the luxury of selling washers & dryers, VCR's, DVR's, etc without having to charge sales tax to offset our losses.

Agency pricing has been common in this industry for a long period of time. The twelve day period that is being bandied about as the smoking gun for collusion is nonsense. As eloquently pointed out by Peter Glassman, Books of Wonder, the industry has a long and established practice of playing follow the leader.

Collusion as popularly defined by Wikipedia "is an agreement between two or

more persons, sometimes illegal and therefore secretive, to limit open competition by deceiving, misleading, or defrauding others of their legal rights, or to obtain an objective forbidden by law typically by defrauding or gaining an unfair advantage. It is an agreement among firms to divide the market, set prices, or limit production. It can involve "wage fixing, kickbacks, or misrepresenting the independence of the relationship between the colluding parties". In legal terms, all acts affected by collusion are considered void". The survivors in the publishing industry did not survive by being ignorant of the law. While some of the publishers rolled over for Amazon rather than incur the expense of litigation a courageous few will fight this and I have no doubt prevail.

I would ask you to drop this law suit against the publishing industry and instead turn your attentions to the unfair practices used by Amazon to avoid collecting sales taxes, use our brick and mortar locations as their own show rooms (via their iPhone price compare app) and the predatory pricing and monopolistic practices that they have implemented.

I apologize for the lateness of this email As a small business we must manage our daily operations personally and don't always have the luxury of large staffs. Thank you for your time and consideration and we urge you to do the right thing and drop this legal action.

Best Regards,  
Bill

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