

06/24/2012

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

Dear Mr. John Read,

When Amazon.com first appeared on the scene, it was an excellent alternative source for used books. As it expanded, it has quickly become the primary source for new, used and e-books, as well as almost any retail product imaginable. This is great for Amazon. It's has truly turned a profit and lived up to its founders dream of becoming the largest online retailer in the world.

The question becomes: How soon until it becomes the only retailer, online or not?

The DoJ claims that publishers "feared that lower retail prices for e-books might lead eventually to lower wholesale prices for e-books, lower prices for print books, or other consequences the publishers hope to avoid." What most of us are wondering is, what exactly the DoJ thinks the publishers are hoping to avoid? Bookselling has certainly never been about being a millionaire. We work in a bookstore because we love books; most of us have college degrees and could, if we chose, be in jobs that would at least pay our student loans if not our mounting bills. Yes, publishers certainly make more than we do, and authors like JK Rowling or Stephen King live more than comfortably off their book sales. But according to the bls.gov, the average author and freelance writer barely makes \$55,000/year (the same amount as the average teacher, if you need a comparison), the average Editor makes a somewhat comfortable wage of \$60,000/year and from personal experience the average bookseller makes maybe, if they're lucky, \$20,000/year before taxes and without benefits – so almost half of what the average Amazon.com employee makes, and *more 3x less* than what the average Amazon.com intern makes on a monthly basis. If you really want to look at the worth of a company, look how they pay their lowest employees. What publishers hope to avoid is the dissolution of the book selling world. Sound dramatic, but independent research has suggested that it is not e-books that will be the down fall of bookstores, but Amazon.com. Not everyone should have to love books to sell them, and some people may want to actually afford a hot meal regularly. We won't begrudge anyone – even Amazon.com – for this. What we do begrudge Amazon.com for is slowly, but surely, becoming a monopoly.

This so called "conspiracy" wasn't designed to cause hardship for the customer, as the DoJ suggests. Rather, it was created to stop Amazon.com from continuing corner the market and destroy competition. A monopoly is when one person or company owns or controls a certain commodity. Standard Oil was sued in 1909 by the Department of Justice for, among other things, unfair methods of

competition. Unfair methods of competition included cutting prices when and where necessary to undermine the competition and corner the market. Amazon.com has continuously cut prices to undermine the competition. And it continues, with hostility, to attempt to monopolize the book trade and commerce among the several States and foreign nations with its underhanded practices. (A violation of the Sherman Act, Section 2.) This past holiday season it paid its customers to spy on local bookstores in order to find out what their competitors were charging for popular items in order to lower their own prices and keep businesses from competing. It continuously avoids paying taxes in states where, according to the law, it should be paying taxes in an effort to cut costs; essentially making the consumer foot the bill when it uses our state's public infrastructure (roads, water, police and fire department, etc.) Now its lowering e-book prices at a detriment to its own profit in order to dominate the market. Apple Inc. was happy to have the customer "pay a little more" because they knew that if a monopoly was created, Amazon.com would be the *only* option for a customer. What cost will this be to the customer then? A much greater one than the agency model will.

An "aikido move" is not a hostile move. It is a move that flows with an opponent to maximize compatibility and minimize conflict. In other words, it absorbs hostility rather than trying to create more. The agency model created by the publishing houses named and Apple Inc., is an attempt to absorb the attack Amazon.com is waging on its competitors and create an equal playing field so that customers can continue to have choices when selecting an e-book or even a print book. The agency model is not *restraining* trade or commerce among several States. It is attempting to create *more* trade and commerce among them by enabling the competition to thrive.

The small bookstore I work at is run by some of the most dedicated, knowledgeable and law abiding people I know. Would you really let Amazon.com ruin all of their hard work? The Department of Justice is supposed to be there to protect citizens and businesses from being victims of malicious and hostile attacks, including in the Sherman Act, non-passive monopolies. If you help Amazon.com by putting in a two-year moratorium on the use of the Agency Model set up by the Publisher Defendants and Apple Inc., you are aiding them in willfully creating a monopoly on arguably the most important industry – that of the written word. I hope, as do the rest of us in the bookselling world, that you will reconsider.

Sincerely,

Anne E Caldwell, M.A.