

From: Sandy Scott [mailto:smile_[REDACTED]]

Sent: Monday, June 25, 2012 11:55 AM

To: Read, John

Subject: Re: Comments on the Proposed Consent Decree in United States v. Apple, Inc., et al., 77 Fed. Reg. 24518 (April 24, 2012)

Dear Mr. Read,

I am writing today to address the issue of the civil suit against Apple, Simon & Schuster, Hachette, HarperCollins, Penguin, and Macmillan. The Department of Justice has accused these companies of violating anti-trust laws and creating an e-book market that prevents competition and negatively affects consumers by overcharging them for digital content.

As an independent bookseller, I--and many of my colleagues--would argue that the opposite is the case. In fact, since instituting the agency model of pricing e-books, publishers and booksellers have created a more competitive market by allowing a wider field of businesses to sell e-books than before. Previously, the one company that had a stranglehold on the e-book market was Amazon, a company that routinely underprices its products (often at a loss to their own bottom line) in order to gain a larger market share. This practice has driven and continues to drive Amazon's competitors out of business, narrowing the options for consumers of books and e-books more each year. If the agency model of e-book pricing were banned, Amazon would be able to return to its price-gouging methods of selling e-books, further eroding the competition in this market.

I find it ironic that the Department of Justice would be interested in pursuing a case that would aid no one so much as the large corporation that has been fighting against collecting sales tax in dozens of states. While independently owned businesses are required--and perfectly willing--to collect the taxes that support our roads, schools, and welfare programs, Amazon has continued to deny its responsibility to do the same. This refusal takes millions of dollars away from our state budgets while allowing Amazon (and other online retailers) to offer lower, tax-free, pricing to consumers.

In light of these facts, I struggle to understand why our federal government would spend the tax dollars of hard-working citizens (including small business owners and their employees) in order to prosecute a model of business that has allowed us to find a way to remain competitive and vital in a rapidly changing market. In considering whether or not to pursue this suit, I urge you to consider the importance of creating a truly competitive market in which the businesses that support our communities, states, and nation are given equal chance to survive and thrive.

Sincerely,
Sandy Scott