

VIA E-MAIL AND REGULAR MAIL

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John Read  
Chief, Litigation III Section  
Antitrust Division  
United States Department of Justice  
450 5th Street NW, Suite 4000  
Washington, D.C. 20530

Re: Comments on Proposed Settlement With Book Publishers

Dear Mr. Read:

We are owners of a small, independent bookstore in St. Charles, Missouri. We are writing to oppose any court action that would involve crippling the so-called “agency” model for e-books.

For years, we struggled to find a way to compete with the e-book juggernaut, Amazon, which sold nearly all of the e-books in the country at a price far below anything we could match. We do not have the financial resources to sell books of any kind at or even below cost, as Amazon does. Moreover, we have to collect sales tax on sales made to customers within Missouri, while Amazon ignores the sales and use tax laws of our state.

Finally, publishers came up with the agency model for the sale of e-books, which gave stores like ours the chance to compete on a level playing field with Amazon. But now the government wants to dismantle a phantom monopoly and replace it with an actual one – Amazon.

If this settlement is approved and the government persists in its efforts to carry water for Amazon by dismantling the agency model, then our nascent e-book business will no doubt disappear. Every day we read about how the market for e-books is growing. The demise of the agency model will mean that we cannot grow with it. Already the American Booksellers Association’s agreement with Google is set to expire at the end of the year. Even if that is replaced, how are we

to compete with a company whose business plan appears to be to undercut prices to the point where stores like ours are out of business – with the government’s blessing!

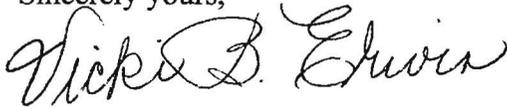
The agency model does not lessen competition, it encourages and nurtures it. Two years ago, our customers could not buy e-books from us. Now they can, and we can make a profit when they do. If the government does away with the agency model, then Amazon can sell e-books at whatever price it wishes, even below cost.

We are also concerned, not just for our interests as a bookstore, but for the interests of the entire industry – authors and publishers as well. We are both authors with books published by relatively small presses. What happens to those companies if Amazon is setting the price? Amazon is already branching into the publishing business itself. Will it supplant the publishers *and* the outlets that sell books? Will we as authors then be even more in thrall to Amazon?

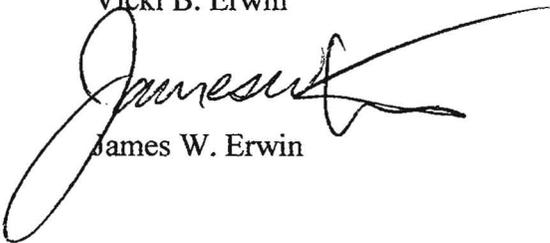
It appears to us that the Department of Justice’s aim is askew. The target should be Amazon, not publishers who are trying to sell their books at a reasonable price.

We oppose the proposed settlement.

Sincerely yours,



Vicki B. Erwin



James W. Erwin