

**The Reading Bug
785 Laurel Street
San Carlos, CA 94070**

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

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LITIGATION III, ANTITRUST DIV.
U.S. DEPT. OF JUSTICE

May 8, 2012

Dear Mr. Read:

As the owner of an independent book store located in San Carlos, California, I am submitting comments about the critical importance of the agency model for e-book pricing. The agency model is essential to maintain diversity and competition in our industry. Without it, Amazon.com is placed at a strategic advantage and independent bookstores like ours will be unable to survive.

As our association, the American Booksellers Association, made clear in its meeting with the Department of Justice on March 19, the agency model has been good for all brick and mortar bookstores; it has been good for publishing; and most important, it has been good for book buyers and for readers. Since its introduction, many more independent booksellers like The Reading Bug have been selling e-books, and our sales have shown steady growth. The agency model has lowered prices to independent bookstore customers, and we have seen significantly increased price competition among publishers in regard to promotions, discounts, and special offers, all of which have allowed us to offer customers a wider array of titles at a greater value. In short, the agency model has corrected a distortion in the market fostered by below-cost pricing, predominantly led by Amazon.com, the ultimate objective of which, I believe, is to reduce or eliminate competition among both retailers and sellers.

Deeply discounted books are among the key components stoking Amazon.com's growth. It is stunning, and unfair, that DOJ would accept the possible upending of an industry as important to the cultural and intellectual life of our nation, as well as the richness of the individual communities that independent bookstores help create, so that one retailer can pursue a policy that attempts to monopolize the entire e-book market. If Amazon.com is allowed to monopolize the price and sales of e-books, it will ultimately be able to raise prices, and the number of e-books produced by publishers will almost certainly be reduced.

Very Truly Yours,



Diane Savage, owner
The Reading Bug, LLC