

**From:** [David J. Montgomery](#)  
**To:** [Read, John](#); [Fairchild, Stephen](#)  
**Subject:** Letter regarding the proposed ebook pricing settlement  
**Date:** Wednesday, May 09, 2012 1:08:25 PM

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**In regards to: United States v. Apple, Inc. et al., No. 12-CV-2826(DLC) (S.D.N.Y.) –  
Comments on Proposed Final Judgment as to Defendants Hachette, HarperCollins, and  
Simon & Schuster**

Dear Mr. Read,

As a literary critic for the past ten years – and as a lifelong reader – I have watched with interest the recent actions by the Department of Justice with regards to the major publishing houses and the matter of ebook pricing. I am writing to express my belief that the proposed settlement between the DOJ and the three major publishers is a serious mistake.

I believe this settlement is severely flawed because it seeks to remedy a situation in which there was no demonstrable harm. The average price of ebooks today under the agency model is not significantly changed from the pre-agency price. Sales have continued to grow at a lightning-fast pace, proving that the current pricing model is not one that is adverse to customers.

If anything, the anti-competitive behavior in the ebook world was demonstrated by Amazon in the pre-agency model, when Amazon priced ebooks at a below-market cost – selling them at a loss – so as to drive sales of their own proprietary product (the Kindle) and to provide a barrier to entry into the market for other suppliers.

True competition, as well as the needs of ebook consumers (of which I am an enthusiastic one), would best be served by the court rejecting this settlement, and a more efficient and competitive one being negotiated.

Sincerely,

David J. Montgomery

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