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John Read, Esq.
Chief, Litigation III Section
Antitrust Division, U.S. Department of Justice
450 5th Street, NW – Suite 4000
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Dear Mr. Read,

RE: U.S. v. Apple, 12-cv-02826, U.S. District Court, Southern District of New York

I am writing to oppose this litigation and the impact it will have on the availability of e-books for consumers who use non-Kindle devices and purchase our e-books through our local independent bookstore.

Until very recently, Amazon virtually controlled e-book sales with a market share of about 90 percent. In 2010, a handful of major publishers changed the terms under which they provided e-books. Instead of selling copies to Amazon and other retailers at a discount and allowing them to mark up the prices to consumers, the publishers dictated the final sales price and gave “agents” like Amazon or other distributors a 30 percent commission. This so-called agency model blocked Amazon’s ability to undercut competitors and enabled others—most notably, Apple and Barnes and Noble—to gain significant shares of the e-book market at Amazon’s expense. It also opened the way for many independent bookstores, to start offering e-books.

This is a critical turning point for the book industry. While the agency model has bumped up consumer prices on some e-books, it has led to lower prices on others and, most importantly, it has produced a far more diverse and competitive market overall. Eliminating the model would enable Amazon to resort again to below-cost, predatory pricing and lead to a greater concentration of market power for the online giant. This would severely distort the bookselling industry—an industry that remains crucial to the cultural and intellectual life of the country.

Again, I oppose the Department of Justice’s litigation, and their position on this issue.

Sincerely,

Barbara Elkus

Cc: john.read@usdoj.gov.