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Sent: Friday, June 22, 2012 3:01 PM
To: Read, John [John.Read@ATR.USDOJ.gov]
Subject: Agency Model for Publishers

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

Dear Chief Read,

As a technical specialty bookseller, I have purchased books under Agency agreements with many technical publishers as well as university and specialty publishers over 35 years. These arrangements are common within the industry. They have allowed many books to be published at lower list prices simply because the discounted price to the reseller is typically less (say 30-37%) than trade discount schedules for more general books (these discounts tend to be 40 through 50%), thus making a decent margin possible for the publishers while at the same time keeping list prices down.

My first hand experience is that I can offer the same or even better discounts on agency discounted titles as Amazon and other giants. When a giant such as Amazon can dictate terms to publishers threatening that their products will be withdrawn from their site (which has in fact happened) or can sell their Kindle readers at a loss in order to get consumers to exclusively purchase their ebooks from them, their power is NOT being used to simply lower prices for consumers. They are looking for market advantage only. You have only to look at how they handle their state taxes negotiations to see what their true purpose is.

Yours truly,
June Kapitan

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