

From: J.F. Margos [mailto:jfot[REDACTED]]
Sent: Tuesday, June 19, 2012 4:35 PM
To: Read, John [John.Read@ATR.USDOJ.gov]
Subject: United States v. Apple, Inc. et al, 12-cv-2826 (DLC) (SDNY). Comments on Proposed Final Judgment as to Defendants Hachette, Harper Collins and Simon & Schuster.

June 19, 2012

John R. Read, Esq.
Chief, Litigation III
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450 5th Street, NW, Suite 4000
Washington, D.C. 20530

Re: United States v. Apple, Inc. et al, 12-cv-2826 (DLC) (SDNY). Comments on Proposed Final Judgment as to Defendants Hachette, Harper Collins and Simon & Schuster.

Dear Mr. Read,

I am writing this in re: the above both as a consumer, and as a published author and voting member of The Authors Guild. My comments therefore reflect my opinions from all of those perspectives.

I am appalled at what I see as a clear lack of understanding by the Department of Justice of the publishing world, and apparent lack of understanding of the danger, both to consumers and authors, of the monopoly Amazon has attempted, and continues to attempt to create. This lack of understanding is clear to me based on what the Department of Justice has done. If the misunderstanding did not exist, you would not pursue these traditional publishers in what the Department of Justice is characterizing as price fixing by those publishers.

I'm assuming that the Department of Justice is doing this because of a failure to understand the industry and the predatory tactics of Amazon, and not because of any conspiracy between the government and Amazon. I say that because quite bluntly you are playing into their hands as if they had paid you.

It makes me angry to see what is happening in this case, because as a consumer, and as a writer, it is detrimental to me, and my own taxes are paying for this nonsense. It would be nice if my government would first do its homework for a change, and spend my money more wisely.

First and foremost, I do not believe any of these publishers fixed pricing. What they did was to independently adopt a model for pricing e-books that would

literally save the industry - not only for themselves, but also for the consumers. Amazon was operating with monopolizing tactics, and now that the Department of Justice has interfered without properly studying the operations of the industry, Amazon will once again resume its monopolizing tactics. Its pricing format was detrimental to everyone except Amazon.

Before the agency model was adopted, Amazon actually "turned off" all the buying buttons for every Macmillan title on their site. This was revenge for Macmillan trying to secure agency pricing for its e-books. That did not just damage Macmillan. In fact, it damaged an entire group of authors much more - many of whom are friends of mine. You now move forward with litigation that will give Amazon as much power as it previously had, and more. They have more than demonstrated their blatant plan to create a powerful monopoly.

None of what the Department of Justice is currently doing is of any benefit whatsoever to consumers - none of it. Further, it is extremely damaging to the entire industry. Somehow, I thought the Department of Justice was supposed to protect both; but, perhaps I am confused about what my government should be doing for me.

Further, the action the Department of Justice now takes puts brick and mortar stores at risk. This is not good for authors or consumers, since brick and mortar stores allow authors who do not have high profile to be discovered while consumers browse, and it allows consumers to find books they could not otherwise find by attempting to navigate through a website. More to the point, you are destroying an aspect of competition and an entire arm of commerce in the book selling world. I am baffled as to why the Department of Justice thinks its action can have any good effect in this regard.

Instead you seek to tamp down the very pricing model that INCREASES competition. Hence my conclusion that the Department of Justice does not understand what it is doing, or understand the book selling industry.

All this is damaging not to any of these big players. It damages two groups with no real power: consumers and authors. What can we do, but write letters and attempt to get the Department of Justice, and the Court to educate themselves better on the workings of the publishing industry?

The settlements the Department of Justice has already entered into in this matter, and the litigation it continues to pursue, need to be re-thought and re-worked before it is too late! You are putting back into place a situation which will put existing bookstore businesses in peril and eliminate competition between Amazon and every other type of book seller in the industry.

I urge you to re-think what you are doing.

If you continue as you are, Amazon will resume its dominance, kill brick and mortar stores, and kill the ability for any publisher to have any say in how e-books are marketed. All because Amazon will have un-bridled dominance, and it will have it all wrapped up in a bow from the United States Department of Justice.

Thank you for your time.

Sincerely,

J. F. Margos
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