

**From:** Karen McCue [mailto:kmccue[REDACTED] ]  
**Sent:** Friday, June 22, 2012 4:52 PM  
**To:** Read, John  
**Subject:** Antitrust litigation - Agency Model

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Mr. John Read, Litigation III Section Chief

Antitrust Division US DOJ

450 5<sup>th</sup> Street, NW, Ste. 4000

Washington DC 20530

RE: Antitrust Litigation – Book Publishing Agency Model

Mr. Read:

Amazon started this mess.....

As an avid reader, I received a Kindle e-reader as a gift two years ago. I immediately trotted down to my local independent bookseller to get set up and start purchasing eBooks. Much to my dismay, I discovered that I could only purchase eBooks from Amazon. Off to the local public Library.... and again found that I would not be able to download lending library eBooks nor any of the State of Michigan's considerable library resources.

You might have noticed the word "local" used a couple of times above. You should also note that both of the sources above provide service – a non-existent term in the Amazon world. To add insult to injury, Michigan residents and businesses pay some of the highest combined taxes (sales, property, business and use) in the country and Amazon does not even collect sales tax for the state!

So where did the monopoly start? With a device that only Amazon sold and from whom the consumer could only purchase eBooks. How do YOU define monopoly? Needless to say, I do not use the Kindle.

Things have changed – now there is the Nook and other devices. Now one can purchase a Kindle Fire and download from local booksellers or even the library. Why did this happen? Certainly no other manufacturers would have invested in

a competitive device when Amazon began selling eBooks at prices that could only be described as loss-leaders.

From the information I have researched, it appears that the book publisher's agency model is directly responsible for enabling and fostering a diverse and competitive market for eBook consumers. I am the consumer. I want to buy my products from the local independent bookseller who has invested their time and considerable monies into my community. I want to keep my business with the independent bookseller that provides me service and a fair price.

The local independent bookseller has been able to stay in the game due to the agency model. Why on earth would this system not be preserved?

[kmccue](#)<sup>[REDACTED]</sup>