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

May 5, 2012

Dear Mr. Read,

Please consider this response before approving the proposed settlement between the Department of Justice and three book publishers regarding ebook pricing. I have interest in this judgment as the owner of an independent bookstore located in Edwards, Colorado.

The American Bookseller's Association and its members believe strongly that the agency model has been good for our channel, good for all bricks-and-mortar bookstores, good for publishing, and, most importantly, good for readers and book buyers. Since its introduction, the agency model has corrected a distortion in the market fostered by below-cost pricing, predominantly led by Amazon.com, the ultimate result of which is, we believe, to reduce or to eliminate competition among both retailers and publishers.

Since the introduction of the agency model many more independent booksellers are selling e-books, and those sales have shown steady growth. The agency model has lowered prices to indie bookstore customers, which has led to significantly increased price competition among publishers. Promotions, discounts, and special offers have allowed bricks-and-mortar bookstores to offer customers a wider array of titles at a greater value.

In short, since the introduction of the agency model, the e-book market for consumers has become far more competitive — not less so!

Deeply discounted books were among the key components in the fuel stoking Amazon's engines of growth. It's frankly somewhat stunning that DOJ would accept the possible upending of an industry as important to the cultural and intellectual life of our nation as bookselling and publishing so that one retailer could pursue a policy that attempts to monopolize the entire e-book market.

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LITIGATION III, ANTITRUST DIV.
U.S. DEPT OF JUSTICE

Before the introduction of the agency model, Amazon had a 90 percent market share in e-books, when they were selling below cost, a price far lower than indie booksellers could purchase e-books from publishers. Today Barnes & Noble, Google, Apple, Kobo, along with indies and others have joined the market, which has become far more competitive and diverse.

If the agency model goes away for a significant period of time, there is every reason to believe that Amazon will again price below cost and increase its e-book market share. We believe this can only be bad news for the reading public, resulting in a cultural landscape offering a far less diverse range of titles being published and a much-diminished range of publishers.

I agree with our national association that the preservation of the agency model is essential for our industry. As an independent business that will be directly affected by the proposed consent agreement, I urge you to consider just how misguided the terms of the settlement are. Please allow the agency model to be maintained by these, and all publishers, who choose to offer it to their customers.

Sincerely,

A handwritten signature in black ink that reads "Nicole Magistro". The signature is written in a cursive, flowing style.

Nicole Magistro, co-owner
The Bookworm of Edwards