

NORTHSHIRE BOOKSTORE

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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

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

June 18, 2012

Dear Mr. Read,

I am writing in regards to the lawsuit against publishers for collusion. I run a bookstore in Vermont and am immersed in the industry. While I am not privy to the evidence you have to support collusion, I do participate in the agency model as a bookseller and it is clear that this model is legal and supports a highly-competitive landscape for ebooks.

I 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 independent bookstore customers, and indies themselves have seen significantly increased price competition among publishers in regard to promotions, discounts, and special offers, all of which 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!

Whatever your findings regarding collusion, please do not undermine the fragile balance in the publishing-bookselling world by making agency illegal or untenable, even for a short time. The publishers that are settling with the DOJ should not have to abandon agency as part of their remedy. It is important to note that the industry is still, with agency, bordering on a monopoly in terms of amazon.com being able to dictate terms to publishers. If agency disappears, what little parity there is in the industry will disappear with it. That will not be good for consumers.

Thank you for your consideration.

Sincerely,

Chris Morrow, President