

May 4, 2012

John Read
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U.S. Department of Justice
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LITIGATION III, ANTITRUST DIV.
U.S. DEPT OF JUSTICE

Dear Mr. Read,

Now that the Department of Justice has decided to pursue a lawsuit against certain publishers for supposedly colluding to fix prices on e-books, I feel compelled to speak out against this decision and ask that the DOJ reconsider its position.

The only reason that publishers adopted the "agency model" in the first place was to counter Amazon's predatory pricing practices. Since its inception, Amazon has embraced a business model to sell goods below cost to establish market dominance. Then, when they've driven out the competition, they are able to raise prices. As you likely know, this is a practice that is illegal in several European countries, yet in the U.S., Wall Street rewards such behavior.

To declare that the DOJ is protecting consumer interests by forging ahead with this lawsuit is misleading at best, and blatantly false at worst. If the only thing that matters to the DOJ is that consumers pay as little as possible for anything, then I can understand your rationale. Yet I ask you to consider how the very face of America has changed since companies like Wal-Mart and Amazon have not only driven independent retailers out of business, but have also eroded the manufacturing base in the U.S. now that so many goods are being produced abroad.

And if the issue is collusion, then how do you explain why the price of a gallon of gasoline or the cost of an airline ticket is virtually the same, regardless of the company? Several publishers may have agreed to a standard for pricing e-books, but that hardly seems illegal given the number of other instances that consumers can expect to pay the same amount for goods and services.

The issue at hand is hardly limited to a handful of publishers. Independent bookstores all across the country will be adversely affected if Amazon is allowed to control the e-book market, especially now that these stores have been able to accommodate their customers by selling e-books that are competitively priced as well. And no other business has embraced the freedoms so cherished by all Americans – like the freedom of expression – as an independent bookstore.

For the past twenty years, we have championed independent bookstores as the cornerstones of our communities, and would like to ensure their survival. To that end, I ask that you reconsider your position before more taxpayer dollars are spent in pursuit of a false notion that commerce and competition would somehow be better served by allowing one company to dominate the market.

Thank you very much for your consideration,



Mark Kaufman