



John Read
Chief Litigation III Section
Antitrust Division
US Department of Justice
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Washington, DC 20530

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

May 3, 2012

Dear Mr. Read,

I am writing to express my dismay at the lawsuit filed against publishers and Apple regarding the "agency model." I cannot think of any other decision that has so taken away my ability to compete on a level playing field in my 30 plus years as an independent bookseller.

Before the agency model was put into place, many of my customers paid much more for each eBook that they purchased from me-- sometimes as much as 100% more--than they did after the agency model went into effect. My customers chose not to go to Amazon because they wanted to keep their dollars in our community and patronize a store that has been supportive of this community during all our years in business. Because of the agency model, my customers now have a choice that is not undermined by the frequently below cost pricing offered by on-line only retailers.

Agency pricing has allowed more competitors into the market for e-books, including stores like mine.

Before the agency model, one company had 90% of the eBook market. After agency pricing, the sale and distribution of books were channeled over a broader playing field, and consumers had more choices as to where they could spend their book purchasing dollars. Now that the DOJ has sued some publishers and Apple and settled with others (simply because the legal costs of fighting would over-burden an already struggling industry), our industry is once again in an uncertain pricing situation and tumultuous state.

Because, as I understand it, the Justice Department has not found anything inherently wrong with the agency pricing structure, I encourage you to reconsider any settlements with or suits against publishers. The results of such actions will ultimately be detrimental to bricks-and-mortar stores, publishers, readers and all consumers of books.



Agency Model corrected a market that was distorted by below-cost pricing of eBooks.

Please rescind your lawsuit and settlements and allow a small business like mine and many other bookstores to remain competitive—if you don't, your actions will eliminate competition and leave consumers with fewer choices and higher costs.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Sarah Bagby".

Sarah Bagby
Owner Watermark Books and Café
Wichita, KS

Board Director – American Booksellers Association